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RESTAURANTS & INSTITUTIONS

A CAHNERS PUBLICATION SERVING THE TOTAL FOODSERVICE INDUSTRY

PRODUCT OF THE YEAR:
THE PACKAGED SALAD

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Part II: Menu Concepts

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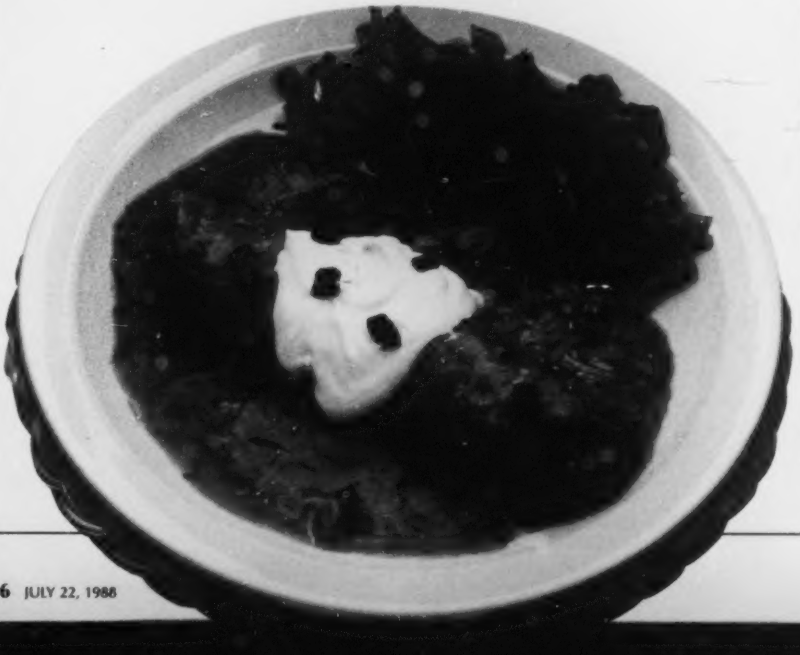

400: OVERVIEW

REACHING OUT

Everybody's doing it: Looking at the competition and coming away with a handful of hot menu ideas.

When Wendy's announced plans to transform its Garden Spot salad bar into a hot-food bar, the industry reacted with disbelief. Fast-food watchers agreed that the big hamburger chain was seriously compromising its identity within the segment.

A restaurant stock analyst, however, points out that Wendy's was simply following a trend. "McDonald's has salads. Burger King serves breakfast," says Jay Fairfield of A.G. Edwards, St. Louis. "There's really no such thing as a true burger chain anymore."

The trend toward menu diversification pops up in nearly every segment profiled in this year's "400" menu analysis. And all the new products originated on somebody else's menu—all except one. Packaged salads, far and away the new product of the year, were created by the fast-food industry to cut labor costs, eliminate sanitation dangers and accommodate drive-thru patrons, who account for more than half of industry sales.

All the product-swapping going on is taking place in the name of competition, as companies fight for a share of food dollars, rather than for distinct demographic patron groups. Steakhouses such as Sizzler, Bonanza and Ponderosa adapted all-you-can-eat food bars from cafeterias, buffets and B&I operations, their partners in the budget-meal category. Wendy's and Rax, fast-food chains that found themselves in need of new customers, picked up food bars from steakhouses.

Full-service chains are picking up ideas from their independently owned competitors. Bennigan's, for instance, offered several short-term menus featuring foods from Australia, the Orient and rural America. T.G.I. Friday's menu of appetizer-sized foods emulates the bistro, a concept popular among independent restaurants.

Institutional operators contribute to segment confusion by creating concepts that pick up the menu and feel of commercial restaurants. The Army & Air Force Exchange Service developed Anthony's Pizza as a package for Army and Air Force bases. Gretel's Bake Shop, an ARA invention, sells cookies, sticky buns and cinnamon rolls at ARA client locations.

Bennigan's Country Cooking, one of its short-term promos

RESTAURANTS & INSTITUTIONS

Packaged salads are quickly becoming a staple on fast-food menus.

400: OVERVIEW

Casual-dining chains derive menu inspiration from their independently owned competitors.

GUIDE TO THE *R&I* '400,' PART II

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Not satisfied with a simple new menu addition, several companies are developing and expanding new concepts. Winners Corp. opened the first Mrs. Winner's Southern Cafe last year in hopes of drawing customers who want to sit down for a country-style meal. USACafes continues to sign franchisees for Ribby's, its drive-thru, walk-up, takeout rib restaurant. Jerrico, after opening four Florenz full-service Italian restaurants, is tinkering with a quick-service Italian concept. Arby's addition of a dessert kiosk led to a franchise agreement with the cookie manufacturer, giving the sandwich chain a way to expand in a non-competing segment.

Companies also are tailoring menus to fit available real estate. A Chi-Chi's franchisee developed Chi-Chi's el Pronto, a mall-sized, quick-service version of the Mexican dinner house chain. York's, the General Mills-owned steakhouse chain situated mainly in food courts, has added a food bar to appeal to shopping mall customers.

Several companies, of course, are neither borrowers nor lenders. In the face of two-for-one discounts, pizza companies are busy making their star product competitive. Domino's, Pizza Hut and Godfather's are working on the basics —new dough and new toppings. On the flip side, few chains have tried to add pizza to their menus, despite the product's proven popularity. Even though non-seafood chains are adding fish to menus, they are not experimenting with new and unusual species, as are seafood-segment leaders.

And a few operators have simply decided against menu additions. Grandy's looked at the wealth of small chicken sandwiches on the market and said, "No way." Steak & Ale learned just how loyal its customer base is after they began disappearing with the advent of a "lighter" menu. "The Legend in Steak" campaign is designed to bring those customers back. Stuart Anderson's is eschewing salad bars and non-beef products for a similar back-to-basics approach. Adventist hospitals resist the temptation to copy dining-out trends and continue to urge patients to try vegetarian fare.

One final note before sampling the food of the "400": We've changed "Theme Dining" to "Casual Dining," acting on the theory that restaurants and their patrons have outgrown theme restaurants. A few companies have jumped segments: Stuart Anderson's, due to its strong emphasis on beef, has moved from the dinner house category to steak/barbecue. Walt Disney Co. has moved from recreation to family dining, which better reflects the company's marketing. ***—Lisa Bertagnoli***

Customers can create their own salads—and even a full meal—at the food bars that proliferated in both fast-food and full-service chains during 1987.

400: BURGERS

WHERE'S THE BEEF?

With burger lineups solidly in place, hamburger chains feel free to play menu games on the periphery.

These days, burgers are not big news on burger-chain menu boards. Customers know about Big Macs, Whoppers and Big Classics, and generally have their favorites. Sensing this, burger chains are using salads, desserts and snacks to draw new customers during different dayparts.

Packaged salads are by far the biggest news this year. Several chains, including Hardee's and Jack In The Box, offered pre-made salads before McDonald's. But when Mac went light, packaged salads won a permanent place in America's food-away-from-home diet. Chefs, garden, shrimp and side salads, complete with croutons and dressing, cater to drive-thru customers, who account for about 60% of fast-food business.

Desserts appeared on the other end of the menu spectrum. Hardee's now offers soft-serve ice cream, a product driven by consumer demand, the chain says. Carl's Jr. is testing ice cream carts and a sundae bar. The Sonic Blast, a mix-in ice cream treat, capitalizes on the sensation caused by International Dairy Queen's Blizzard.

Savory snacks as well as sweets are cropping up on burger menus. Jack In The Box has Finger Foods. Hardee's has Chicken Stix. Mini hamburgers at Wendy's and Burger Bundles at Burger King give customers reason to stop in for a snack.

Promotional items attract new customers and provide regulars with a change of pace. McDonald's Cheddar Melt, offered for six weeks last winter, performed well, although not good enough to win a spot on the permanent menu, executives say. Burger King's Bullseye Barbecue Burger served the same purpose at that chain, and remains a promotional sandwich.

This year will prove a year of hamburger-chain milestones. McDonald's opened unit No. 10,000 in Dale City, Va., the first week in April, and will open its first restaurant in Moscow by the middle of 1989. Hardee's opened unit No. 3,000 in Augusta, Ga. Druther's celebrates its 25th anniversary this summer. Wendy's rebounded from past financial troubles. And Carl's Jr., Krystal and Sonic completed back-to-basis programs.

Wendy's SuperBar draws new lunch and dinner customers.

400: BURGERS

McDonald's won't rest on a bed of lettuce: McPizza, biscuit varieties remain in test.

LEADING BURGER COMPANIES

1 McDONALD'S CORP. (1)
Sales: $14,330.4MM Units: 9,159

2 BURGER KING
Pillsbury (3)
Sales: $5,000MM Units: 7,339

3 WENDY'S INTERNATIONAL (7)
Sales: $2,870MM Units: 3,816

4 HARDEE'S
Imasco USA (8)
Sales: $2,431.2MM* Units: 2,959

5 JACK IN THE BOX
Foodmaker (34)
Sales: $655MM Units: 897

6 CARL'S JR.
Carl Karcher Enterprises (54)
Sales: $343.6MM Units: 444

7 SONIC RESTAURANTS (58)
Sales: $315MM Units: 953

8 WHITE CASTLE SYSTEM INC. (67)
Sales: $282.6MM Units: 236

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Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent. ©1988 *Restaurants & Institutions*, a Cahners publication.

McDONALD'S CORP. $14,330.4MM

When McDonald's hits, it hits big. The chain tested packaged salads for a number of years, then, at the 1987 shareholders' meeting, introduced them to the nation with a full-blown ad campaign. The chain now uses five million pounds of lettuce each week in preparation of its garden, side, chef's and (in some markets) shrimp salads.

The burger giant will continue slowly developing and testing new products, executives said at McDonald's annual meeting, held in May. "We are a limited-menu restaurant," stressed Edward H. Rensi, chief operating officer and president of McDonald's U.S.A. Steak biscuits and sausage biscuits are in limited test in several southern restaurants. The chain also continues to test McPizza. "There is a huge market for pizza, and we will get some of it," said Mike Quinlan, president and chief executive of the 10,000-unit chain.

McDonald's continues to open locations in non-traditional sites. The chain has signed agreements for restaurants in Sears stores in White Plains and Hicksville, N.Y., and has contracts to open restaurants in the San Jose, Calif., Newark and Phoenix airports.

BURGER KING $5,000MM

This past year, Burger King seemed to belong to the "now you see it, now you don't" school of menu merchandising. Of the three items that made appearances last year, breakfast bagel sandwiches were the only item that gained a spot on the menu.

Burger Bundles, one of the many snack-sized items to join fast-food menus last year, were introduced and pulled not once, but twice. The two-ounce burgers, sold in packs of three and six, were granted optional menu-item status. A company spokesman said Burger Bundles may join the permanent menu this year.

Spooners, a dairy dessert whipped with strawberries or cookies, was introduced as a promotional item last summer. It remains a promotional item, says the spokesman.

Burger King also toyed with a few regional menu items. Bullseye Barbecue Burgers were available in the Midwest, and chili burgers topped with a local brand of chili were offered in the South. The newest regional product, The Big Cheese double cheeseburger, is being offered in the San Francisco area.

WENDY'S INTERNATIONAL $2,870MM

Wendy's continues to roll out the SuperBar, one of the most-talked about and controversial ventures in recent burger history. The bar, an expansion of the Garden Spot salad bar, offers ingredients and accompaniments for salads, pasta dinners and tacos.

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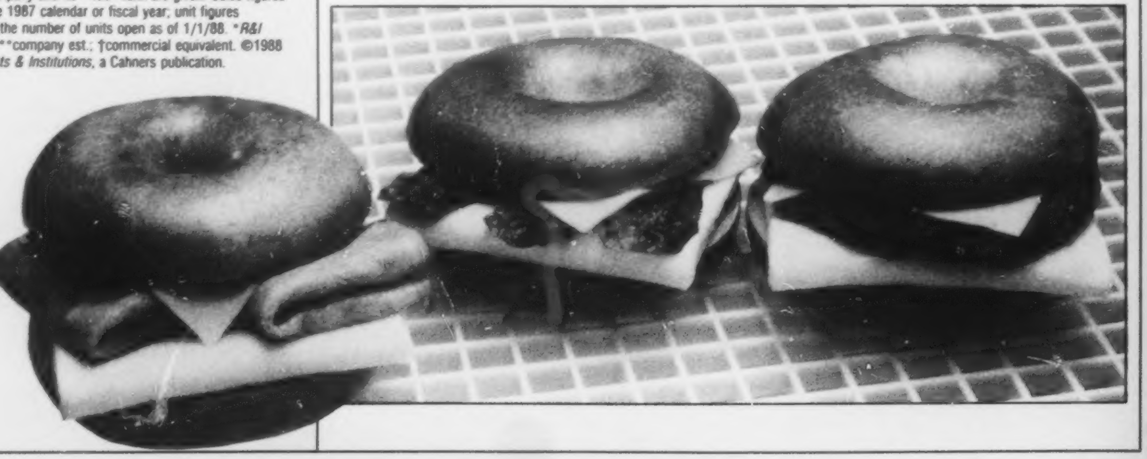
Burger King's Breakfast Bagels joined the permanent menu.



400: BURGERS

LEADING BURGER COMPANIES

9 WHATABURGER INC. (73)
Sales: $265MM Units: 392**

10 THE KRYSTAL CO. (101)
Sales: $184MM Units: 243

11 FUDDRUCKERS (138)
Sales: $130MM Units: 113

12 DRUTHER'S INTERNATIONAL (172)
Sales: $96.2MM Units: 162

13 RED ROBIN INTERNATIONAL (190)
Sales: $85MM Units: 47

14 STEAK N SHAKE (169)
Consolidated Products Inc.
Sales: $76.6MM Units: 106

15 HAMBURGER HAMLETS (285)
Sales: $48MM Units: 24**

16 ARCTIC CIRCLE
Quaker State (314)
Sales: $42MM Units 105

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Chicken snacks and sandwiches, desserts and salads complement basic burger menus.

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What Wendy's will do with the SuperBar remains to be seen. Denny Lynch, vice president of corporate communications, says the bar has potential for use during other dayparts.

Wendy's is making something of a breakfast comeback with breakfast sandwiches. Egg and cheese, sausage and bacon will be offered on a buttermilk biscuit or toasted English muffin, Lynch says.

Wendy's still depends on burgers for the bulk of sales. The burger lineup now includes the Big Classic, the single and, two-ounce cheeseburgers and hamburgers, introduced in the spring of 1987. The small burgers, which sell for 69 cents, are in all company-owned stores and are a menu option for franchisees. Television ads call the burgers "The Best in the Business."

HARDEE'S $2,431.2MM*

Hardee's introduced vanilla and chocolate soft-serve ice cream and packaged garden, side, seafood and chef's salads last year. In March, the chain rolled out Chicken Stix, a product that had been in test for a year. The white meat strips are sold six and nine to a pack, and come with the customer's choice of four sauces.

Like its competitors, Hardee's has offered limited-time products. In September and October, the chain promoted Specialty Supreme sandwiches, which are served on a whole-grain bun. In January and February, quarter-pound hamburgers were offered with Mexican, American or Italian fixings for an International Toppings promotions. "They did a good job bringing in trial customers," says Gary Langstaff, executive vice president of advertising.

Hardee's plans to hold new-product introduction to a minimum this year, Langstaff says. "We think our current product line does a good job of satisfying our customers," he says. The chain also will reduce the number of deals and coupons it offers. The percentage of sales stemming from discounts has already been cut in half, he says.

JACK IN THE BOX $655MM

Jack In The Box, with its revolving-door menu policy, sets the record for menu introductions. During 1987, the

Burger chains' lighter side: Chicken Fajita Pitas (above) are a variation on Jack In The Box's successful Fajita Pitas. Fuddruckers added a grilled fish sandwich to broaden the concept's appeal.

&RESTAURANTS INSTITUTIONS

West Coast chain introduced the Ultimate Cheeseburger, which now accounts for 9% of sales; the Fajita Pita, which accounts for 11% of sales and is the most successful rollout in company history; egg roll, shrimp and chicken Finger Foods; and the Hot Club Supreme.

This year could be The Year of The Chicken for Jack In The Box. The chain introduced the Chicken Fajita Pita in March. Grilled chicken and chicken tacos are in test in San Diego, the chain's home turf. Also in test is a second generation of a breakfast fajita. The first, filled with scrambled eggs and fajita meat, proved too spicy for Jack In The Box customers, however adventurous they may be.

The chain sets a goal of at least two new-product introductions a year. New-product training is down to a science: Laser videos produced in-house take employees through each step of preparation and serving. Promotions are purely product-driven. "Our best-seller is the item we're promoting," says a company spokesman.

CARL'S JR. $343.6MM

Its back-to-basics program complete, the West Coast burger chain is starting to slowly add to the menu board. Chicken Club and Country Fried Steak sandwiches came on board last year, as did a self-service beverage bar. The chain developed a low-cholesterol Chicken BBQ Sandwich and received approval for it from the American Heart Association.

The chain is testing the idea of even more self service with a sundae bar at its flagship store in Anaheim, Calif. Ice cream carts, offering pastries, brownies and ice cream pies, are in test in several restaurants. A few Carl's Jr. restaurants offer customers Pay Plus, with which they can pay for meals with automatic teller machine cards.

SONIC RESTAURANTS $315MM

Now that Sonic's two-year menu streamlining project is complete, the chain is beginning to experiment again, says Vern Stewart, chief operating officer. Last year, the company rolled out Sonic Blast, a soft-serve ice cream concoction with candy and cookies mixed in. The product, which Sonic files under the snack category, accounts for about 10% of sales, Stewart says.

The chain is also repositioning its double-meat, double-cheese hamburger as a combo meal. Big Topper, as it is called, comes with a side order and drink, and is promoted with 1950s-flavored ads, featuring Big Bopper songs. The six-item burger menu, which includes a jalapeño burger in some markets and a hickory-sauced burger in others, accounts for 25% to 30% of sales.

Although Sonic is testing a grilled chicken sandwich in Austin, Texas, Stewart says he does not know whether it will gain a spot on the menu. "We're not sure there's a market for it with our existing customers," he explains.

FUDDRUCKERS $130MM

With the financial troubles of the mid-1980s behind them, Fuddruckers executives are planning the gourmet burger chain's marketing plan for the 1990s.

All company-owned restaurants will be converted to "The Next Generation," a new design that is the basis of the marketing plan. Interiors are divided into small, bright dining rooms dressed in primary colors, a look that dispels the cavernous feeling of the old Fuddruckers. The design better merchandises Fuddruckers' signature burger-toppings bar and bakeshop, which has been renamed Blue Ribbon Bakery.

New products—fajitas and a grilled fish sandwich, chips and salsa, and nachos—give the menu more of a family-restaurant feel, executives say, and attract older customers. The chain is using the bakery to add breakfast: Some restaurants offer coffee and sweet rolls for takeout, and at least one is delivering cinnamon rolls to area office buildings. —*Lisa Bertagnoli*

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400: SANDWICHES

ANYWAY YOU SLICE IT

Spreading the news: new products, promos, markets, meal occasions, decor and—surprise!—service.

There is a lot going on between the bread these days, and the optimism that fills the sandwich chains is easy to justify: Customer traffic in this segment increased 7% in 1987 (according to Park Ridge, Ill.-based GDR/CREST Enterprises), 1% more than hamburger chain traffic and 2% more than the traffic average in all quick-service restaurants. This increase was not served to sandwich chains on a silver platter. They worked hard for it, developing—despite their diversity—some of the same menu and marketing strategies.

Bold identities—often emphasized by strong marketing statements and advertising campaigns—characterize the most successful chains. Personality not only distinguishes sandwich chains from burger chains but from each other.

New 1987-88 products, monitored in test markets before going systemwide, have been more than sandwiches. And while nutritionally high-profile white meat ranks high in new menu items, beef has gotten beefier, subs meatier. Side salads—vendable in drive-thrus—have vied for customer counts with salad bars that have been expanded into food bars, outfitted to suit the seasons. Cookies and breakfast pastries were a sweet move in on snack and breakfast meal occasions.

Decor—new unit designs and aggressive remodeling of older units—runs more than skin deep. It extends to exteriors and parking lots. Chain marketing executives correctly correlate slipshod facilities with customers' perception of a chain that is cutting quality corners.

Service is the revolution of the year. Even the fastest fast-food sandwich chains are putting emphasis there. Store managers are working the front of the house, and the training programs aim at a warm welcome and customer recognition. Many chain customers are local, and chains work for repeat business by coming as close as they can to full service in the way they greet and treat their patrons.

The quiet revolution is in nutrition: Sandwich chains speak softly, rarely advertising their in-store nutrition campaigns. (Both Rax and

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Fee, fie, fo, fum: Arby's 5-ounce Giant beefs up sales.

400: SANDWICHES

LEADING SANDWICH CHAINS

1 ARBY'S INC. (20)
Sales: $980MM Units: 1,973

2 RAX RESTAURANTS INC. (51)
Sales: $358.3MM Units: 529

3 SUBWAY
Doctors Associates Inc. (71)
Sales: $272MM Units: 1,815**

4 ROY ROGERS
Marriott Corp. (4)
Sales: $212MM Units: 556

5 A&W RESTAURANTS INC. (117)
Sales: $154MM Units: 531

6 WIENERSCHNITZEL
Galardi Group (142)
Sales: $125MM Units: 340

7 INTERNATIONAL BLIMPIE
Astor Restaurant Group Inc. (166)
Sales: $101.8MM Units: 300**

8 CAROUSEL SNACK BARS (280)
Sales: $50MM Units: 330**

They've got personality! Sandwich chains create distinctive market identities.

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Arby's have American Heart Association-approved menu items, and Arby's has nutrition brochures available.)

And the best-run franchisors know how to listen—to their franchisees. Participation, the rule of thumb for 1987 that resulted in several new product introductions, will be the order of the day in 1988.

ARBY'S INC. $980MM

During the past three years, Arby's has kept its focus on beef. At the same time, the chain's stance as "The alternative to the burger" allows Arby's to introduce additional chicken items, says Ira Hermann, executive vice president and chief operating officer. New in '87 was the Roast Chicken Club, and driving sales in the first quarter of '88 as high as 50% to 60% in some markets was the new Chicken Cordon Bleu. The hottest-selling item still is the new 5-ounce Giant, which helps keep the beef menu mix at highest percent of sales.

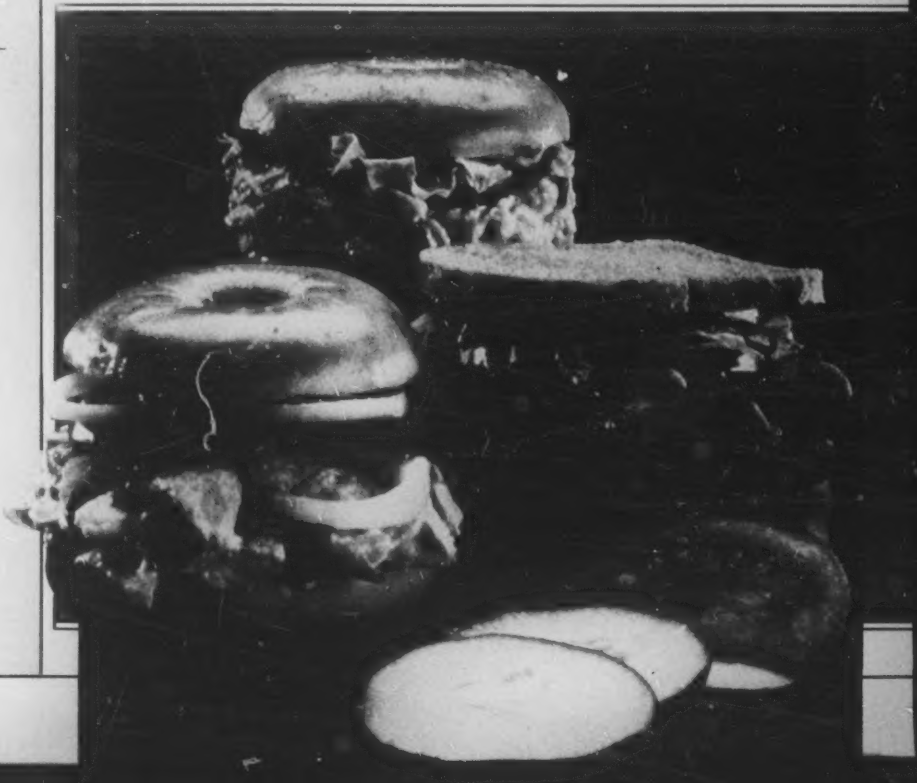
Arby's got out of salad bars because of high food costs and labor costs, but successfully sells prepared salads both in-store and from the drive-thru window. New is chef's and the side salad; newest is Cashew Chicken.

Next to the 24-hour toll-free customer complaint hotline, the hottest news is in-store Flour Pot cookie kiosks selling gourmet brownies, cookies, ice cream and muffins, moving Arby's into the breakfast and snack markets.

Arby's now has a joint venture with Flour Pot to franchise nationally. Although Arby's never positioned itself as healthful food, Hermann says the involvement has always been there: Its roast beef is 10% to 12% fat, the company is testing cholesterol-minimizing oils and beefing up programs such as in-store nutrition brochures. Arby's new Series 2000 design is cost-efficient, bright and open. Customer service, says Hermann, is the chain's biggest commitment right now, underscored by 38 regional training restaurants.

RAX RESTAURANTS INC. $358.3MM

The new company slogan, "Fast Food with Style," helps identify Rax to a target market of 22- to 45 year-old



customers, while maintaining historical appeal to adults over 50, says J. Pat Ross, director and chief executive officer. The salad bar, the largest-selling single item inside the store, has evolved into its fourth phase, the seasonally changing lunch and dinner food bars. Ross says in-store food bar sales run 25% to 30%, while roast beef sandwich sales are at 30% (including drive-thru sales). A popular new food bar addition is the sandwich bar, with small bagels, rye bread slices and sandwich fixings. New in '88 is the Chicken Sandwich.

ROY ROGERS $212MM

The fastest burger on wheels is probably Roy Rogers' new ExpressBurger. Three models—plain, with cheese, with bacon and cheese—all come fully equipped with lettuce, tomato, ketchup, pickle, onion and mayonnaise. Intro promo featured an owner's manual describing features of each model, such as High Resolution Buns, Turbo-Charging Tomatoes and Onion Overdrive. At Roy Rogers, good new products come in threes: Cinnamon, Apple and Cheese Swirls are making breakfast news in Southern and Mid-Atlantic markets.

INTERNATIONAL BLIMPIE $101.8**

Surfacing as "America's Best-Dressed Sandwich," the nutritional alternative to fried food, this 24-year-old submarine sandwich chain markets its speed of service. The fresh-sliced deli selections are made to order before customers' very eyes—fast: one to three minutes maximum, from order to pay, says Brandon Steiner, marketing director for parent company Astor Group. Newest menu news in '87 was salad line, packaged, standardized and upgraded: Seafood, Taco Blitz, Chicken and Chef's. New for fall will be a soup program and mascot's Blimpie Bear namesake Chocolate Chip Cookies.

OLGA'S KITCHEN INC. $36MM

When is a sandwich not a sandwich? When it's an Olga. Round, secret-recipe bread wraps around 18 different meat and non-meat fillings. Seafood, cheese and vegetable Olgas are good sellers in new Southern California market, says Ron Crews, vice president of marketing, but customers at home in Troy, Mich., are still loyal to the original Olga (sliced beef and lamb, tomato and onion).

New menu design features color food photos that highlight new items—Steak and Chicken Fajita Olga, Fresh Fries and Fro[illegible]lgurt (both trademarks) and O[illegible] Cream Cooler.

—Nancy Ross Ryan

LEADING SANDWICH CHAINS

9 TOGO'S EATERY
MTC Management Inc. (287)
Sales: $48MM Unit: 112

10 MAID-RITE PRODUCTS INC. (291)
Sales: $47MM Units: 131

11 SCHLOTZSKY'S INC. (294)
Sales: $46.4MM Units: 214

12 JACK'S FOOD SYSTEMS INC. (302)
Sales: $45MM Units: 90

13 OLGA'S KITCHEN INC. (347)
Sales: $36MM Units: 38

14 JERRY'S SYSTEMS INC. (373)
Sales: $33MM Units: 179

15 SANDWICH CHEF INC. (381)
Sales: $32MM Units: 179

16 DANVER'S
Shoney's South Inc. (90)
Sales: $4.2MM Units: 8

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400: CHICKEN

WINGING IT

Chicken chains, facing competition from other segments, add to lunch menus to attract new customers.

It was a cautious year for chicken chains. Faced with competition from non-chicken chains adding chicken products, most concentrated on doing the best with the products they had. Since the supply of chicken is abundant and prices are stable, chicken and non-chicken chains alike will continue to find poultry profitable.

The winners this year are those that took the offensive, those that have a long-term marketing plan and a firm idea of their niche and purpose. There were those chains that prospered in 1987. Kentucky Fried Chicken, in particular, experienced impressive growth, while sales increases were more moderate at Popeyes, Chick-fil-A, Grandy's and El Pollo Loco. Pioneer, Bojangles', Sisters, Mrs. Winner's and Church's lost ground, and Brown's and Lee's Famous Recipe Chicken held their own.

The difference between the leader KFC and the other chicken chains is the growth position KFC has taken. The key to KFC's success is a plan that started in 1977 when the chain was having operating problems. Gradually, new management updated training, eliminated unsuccessful products, such as barbecued chicken, and improved others, such as the biscuits. It was also back then that the company decided it needed to build lunch business. After trying a full-sized chicken sandwich, KFC thought small sandwiches a la White Castle burgers might be more successful, and the chain was right. Chicken Littles turned out to be KFC's most successful promotion ever. Popeyes and Bojangles' then followed KFC and added small sandwiches of their own.

KFC's Chicken Littles helped boost lunch sales.

Chicken Littles
FRENCH FRIES

Several chains tried non-fried chicken items. Grandy's added roasted chicken for its health-conscious audience, and KFC expanded testing of its oven-roasted chicken. El Pollo Loco banked on its success with healthful chicken by sticking with the same menu and advertising that its chicken is a "fast-food habit worth having." Only Grandy's has gone to a diversified menu with many non-chicken items (becoming more of a fast-food family restaurant than a chicken chain). Lee's Famous Recipe Chicken, Mrs.

Winner's and Sisters are testing non-chicken items in limited markets.

Some chains reduced or kept the same menu offerings and used promotions and new packaging to encourage new business. Church's went back to basics and simplified its menu. The chain also changed its packaging and spruced up storefronts, as did Atlanta-based Chick-fil-A.

KENTUCKY FRIED CHICKEN $4,100MM

This was the year KFC found a way to be successful at lunch. The company started thinking about building lunch business in the late 1970s, but it took until the early 1980s to begin to explore products that would fit at lunch. A larger sandwich tested early in the decade did not work, but the smaller sandwiches called Chicken Littles, launched in 1987, did. The decision to roll out the mini sandwiches—1-ounce square, breaded chicken patties served on small buns and flavored with the Colonel's 11 secret herbs and spices that sell for 39 cents—came after successful testing in Louisville, Ky.; Dayton, Ohio; Atlanta; Providence, Mass.; San Diego and Seattle.

The introduction of Chicken Littles was intended to bring KFC in closer competition with other sandwich chains whose strength has always been at lunch. "The reason for adding Chicken Littles was to increase lunch sales, attract a younger crowd and step up repeat purchases," says Gregg Reynolds, vice president of public affairs. The sandwiches also encourage sales of highly profitable soft drinks and french fries. However, the sandwiches have required the purchase of new equipment and the addition of four to seven employees per unit.

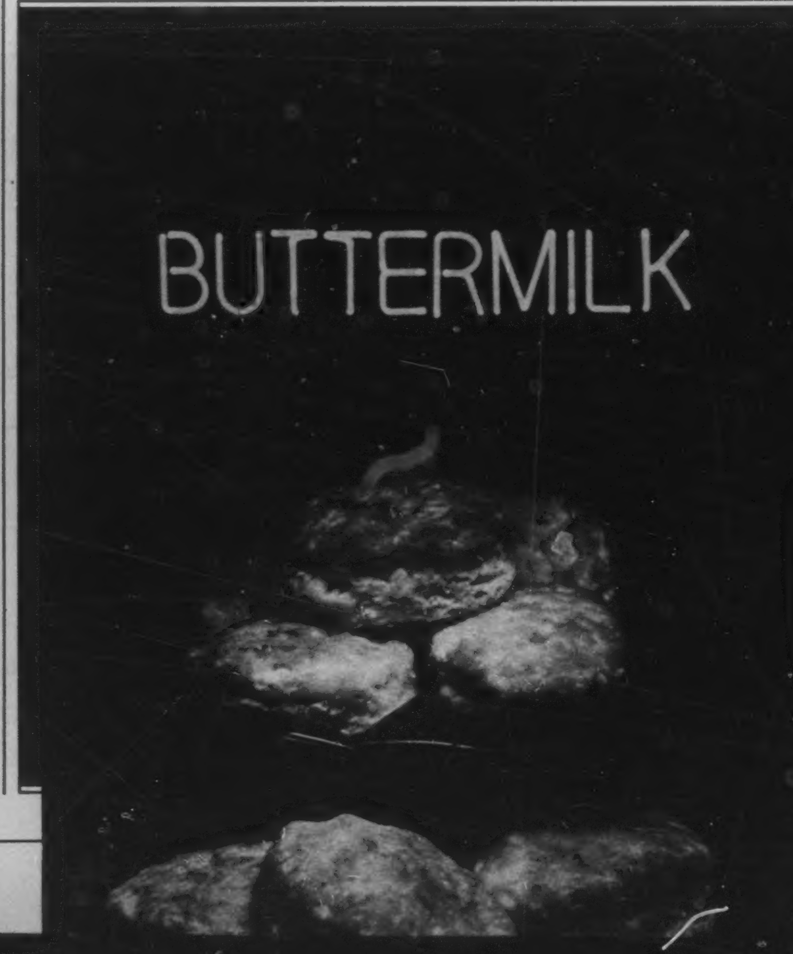
The company has expanded testing of oven-roasted chicken but is not yet ready to roll it out nationally. A char-grilled product is also being tested on a limited basis, as are packaged garden salads.

According to Reynolds, KFC is interested in home delivery and is testing it in Louisville, Ky.; Kansas City, Mo., and Tallahassee, Fla. "In case someone else tries it, we'll be ready to go for it," says Reynolds. KFC also offers off-premises catering as a local option.

CHURCH'S FRIED CHICKEN INC. $533.9MM

Church's came on hard times in 1987, so it pulled back the reins, re-evaluated, and in the chain's own words went "back to basics." The management saw its problem as a "proliferation of products and promotions that slowed service and confused customers and employees." The solution: simplify the menu. First the company took okra, Cajun rice and catfish off the menu. Then the Chicken Big Sandwich was introduced, a 99-cent large sandwich promoted by the Church's Chicken mascot, who was stationed in front of the store sporting a sandwich board. The other new product introduced was a condiment called Spicy Sprinkle, intended to spice up any Church's menu item.

Church's also spent some money re-



Chick-fil-A
TASTE IT.
YOU'LL LOVE IT FOR GOOD.

400: CHICKEN

LEADING CHICKEN COMPANIES

1 KENTUCKY FRIED CHICKEN
PepsiCo (2)
Sales: $4,100MM Units: 7,522

2 CHURCH'S FRIED CHICKEN (38)
Sales: $533.9MM Units: 1,422

3 POPEYES FAMOUS FRIED CHICKEN
A. Copeland Enterprises (42)
Sales: $482.6MM Units: 710

4 CHICK-FIL-A INC. (94)
Sales: $202.7MM Units: 364

5 GRANDY'S INC.
American Restaurant Group (40)
Sales: $185MM Units: 205

6 LEE'S FAMOUS RECIPE CHICKEN
Shoney's Inc. (17)
Sales: $136.6MM Units: 268

7 BROWN'S CHICKEN
Brown & Portillo Inc. (158)
Sales: $108.1MM* Units: 158

8 PIONEER TAKEOUT CORP. (170)
Sales: $98.2MM* Units: 252

9 MRS. WINNER'S
Winners Corp. (144)
Sales: $89.8MM Units: 145

10 EL POLLO LOCO
Denny's Inc. (13)
Sales: $75.5MM Units: 87

11 BOJANGLES' CHICKEN & BISCUITS
Horn & Hardart Co. (86)
Sales: $55.6MM Units: 71

12 SISTERS RESTAURANTS
Sis Corp. (289)
Sales: $47.9MM Units: 63

13 GOLDEN SKILLET INTL.
International Dairy Queen (9)
Sales: $30MM Units: 100

Mini sandwiches, broiled and roasted chicken items, and non-chicken offerings boost sales.

modeling its exteriors and redesigning its packaging. To give the company a fresher image, the word "fried" was taken out of the signs. New Church's stores will be small and equipped with drive-thru windows to appeal to value-minded customers. Another variation of the Chicken Big Sandwich is planned for 1988.

POPEYES FAMOUS FRIED CHICKEN $482.6MM

The chain known for spicy chicken continued its steady growth by paying attention. After KFC's successful rollout of small sandwiches, Popeyes accelerated its development of small sandwiches and quietly rolled them out in company restaurants in the New Orleans area. Little Chickadees are Cajun-spiced, 1-ounce square chicken patties served on toasted buns with a mayonnaise-based dressing and pickles. The company had to install new rotary toasters and increase the labor force in order to add the sandwiches.

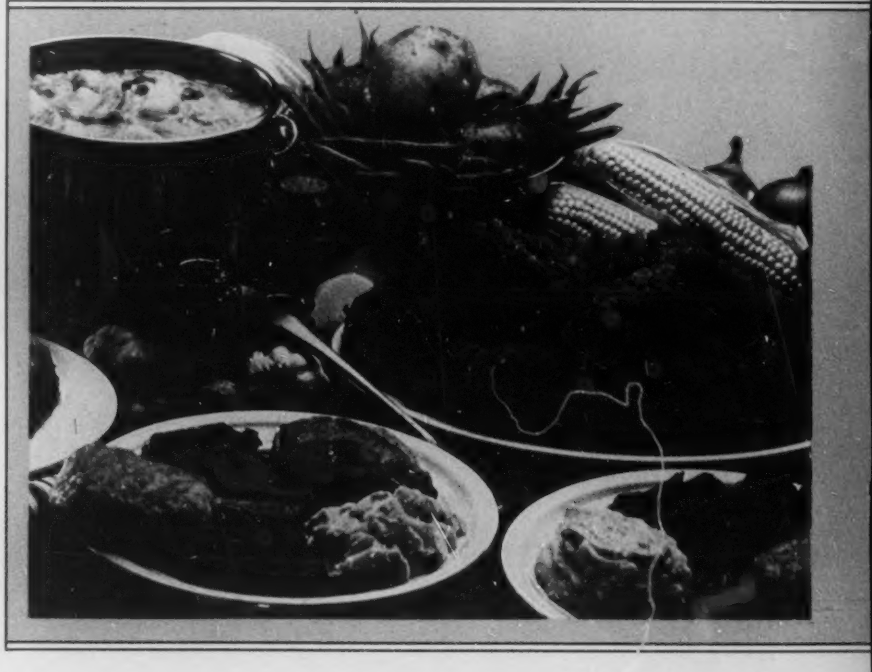
Little Chickadees, however, never made it to national rollout since management felt the product was draining sales of other products, but they did bring in what Chairman and President Al Copeland calls "the kid market."

Popeyes also tested home-delivery service in Houston, Dallas and other cities in Texas, but abandoned the project after 18 months. The company has left open the possibility of resuming home delivery if and when the time seems appropriate.

The newest systemwide product rollout was Spanish rice, a product for which Popeyes obtained American Heart Association approval.

GRANDY'S INC. $185MM

Grandy's has not just added new chicken products to its menu, it now has a whole new line of steaks and ribs and has added the breakfast meal. "I guess we're no longer just a chicken chain, although more than 50% of our business is in chicken," says Bob Lee, vice president of marketing. "We're more like a family fast-food chain now."



Nevertheless, chicken is still the primary menu item, and the company considers chicken chains its primary competition. Roasted chicken was added in 1987 for health-conscious patrons. It was not as successful as the company thought it would be, except in the Fort Meyers, Fla., and Fresno, Calif., markets. However, there are no plans to pull roasted chicken because Grandy's believes the product does appeal to a certain clientele and the chain would lose too much business if it were dropped.

Fried-chicken sandwiches and country-fried steak were tested in 1987 and will be rolled out in company stores in the summer of 1988. The sandwiches will be optional items in franchise stores systemwide. Lee explains that lunch was the only niche Grandy's did not fill, and sandwiches are an attempt to tap this market.

MRS. WINNER'S $89.8MM

Diversification is the word that describes Mrs. Winner's strategy in 1987. In an effort to reposition the concept and reduce the dominance of chicken on its menu, the company added a series of home-style entrees called "Southern Originals"—pot roast, meat loaf, fried fish and shrimp Creole—to its basic menu fare of fried chicken and biscuits. This line was added to replace its sandwich and salad menu line.

The Southern-inspired line of food items are similar to the specialties developed for the company's recently spun-off concept called Mrs. Winner's Southern Cafe. The new limited-service restaurants will feature an array of batch-cooked regional entrees and vegetables and a few daily specials.

The company plans to convert six of its units into Southern Cafes in an effort to offset profit-draining performance of its 59 franchised Wendy's units.

SISTERS RESTAURANTS $47.9MM

Sisters was one of the few chicken chains adding non-fried chicken products in 1987. The chain added a grilled chicken sandwich for $1.89-$2.69 and chicken fajitas for $2.89. The company is testing hamburgers in six stores in Toledo, an attempt to compete with burger chains. The burgers accounted for 6% of sales without advertising.

A Country Bar, similar to Wendy's SuperBar, is an expansion of the salad bar. It will include creamed chicken and gravy, seven side dishes, and several Italian and Mexican selections. The bar is being tested in two stores.

GOLDEN SKILLET INTL. $30MM

This regional chain, a division of International Dairy Queen, attempted to enhance its lunch menu in 1987. A large chicken sandwich, called the Big Skillet, was already a successful item on the menu. A chicken club with bacon, lettuce and tomato, called the Big Skillet Club, was a logical addition. Another sandwich, chicken with cheese, is in the plans for 1988. Chicken Fried Steak, a departure from the chain's menu, was also introduced in 1987.

Golden Skillet decided not to join the miniature sandwich craze. "It doesn't support consumer buying patterns and does not contribute to profitablity," says Charles Cocotas, executive vice president. He says Golden Skillet's primary customer wants a full dinner to take home.

Roy Clark is the chain's spokesman and spreads Golden Skillet's message through the airwaves with the "Golden Skillet Chicken, the chicken that picky chicken pickers pick" slogan.

An off-premises catering program is available for franchisees who want it. The individual franchisees generate business by advertising in the yellow pages under catering and by selling their services to local community organizations. *—Nancy Backas*

Grandy's Southern Originals line of food items includes pot roast, meat loaf and shrimp Creole (far l.). Golden Skillet's success with the Big Skillet sandwich (l.) inspired the Big Skillet Club spinoff for 1987 and another chicken with cheese sandwich for 1988 rollout.

400: MEXICAN

BORDER PATROL

Variations on fajitas, enchiladas, quesadillas and desserts give loyal customers a taste of something new.

The country is fajita-mad. Virtually every Mexican chain from Taco Bell to Pancho's Mexican Buffets has slotted the sizzling, eye-appealing product into the menu mix. In most cases, steak fajitas outdistance all other offerings at the cash register. Next year, beef will compete head-on with chicken fajitas on most Mexican chain menus.

Combinations, too, continue to crop up on Mexican menus. Chi-Chi's, for instance, already promotes a deluxe steak, chicken, pork and shrimp Chajita. Taco Time has created a chicken fajita burrito, a flour tortilla filled with sautéed white meat, fresh vegetables, Cheddar cheese and lettuce. Taco Bueno probably has come up with the most original new fajita idea of the year: chicken fajita nachos. It may only be a matter of time before someone creates a lobster or vegetable variation.

While fajitas continue to dominate, they do not lead the popularity poll at all chains. Taco John has yet to put them on the menu. Enchilada dinners still sell better at El Chico. Taco Time swears by its Crisp Taco, while both Taco Villa and Taco Tico insist the taco is No. 1 at their restaurants.

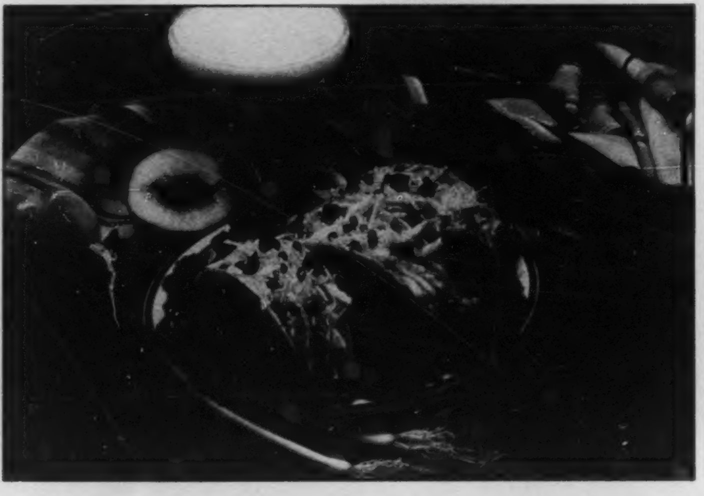
Mexican buffets, such as Pancho's 20-item spread, continue to pack in customers. Chi-Chi's reports that its luncheon buffets have increased sales 10% to 20% in test units.

But executives at Garcia's say they think Mexican food does not hold well on a buffet line. Garcia's 22 new menu items are primarily new presentations and variations of existing products. Grilled steak strips (used for fajitas) are wrapped in a soft burrito, and a chimichanga is deep-fried.

Margaritas play a pivotal role in the Mexican food experience. Garcia's upscale Royale, made with premium tequila, is a top seller. Both Garcia's and Chi-Chi's plan to extend their Margarita lines, the latter with such flavors as cranberry, peach and raspberry. El Chico reduced the serving size and price and is selling more Margaritas.

Fried ice cream leads the dessert list. And most Mexican operators are looking to expand dessert lines.

Chi-Chi's experimental lunch buffet features tacos.



RESTAURANTS & INSTITUTIONS

TACO BELL **$1,500MM**

New grill-equipped kitchens will make additions to the fajita line easier: Chicken fajitas will roll out systemwide in August. Taco Bell also is testing Meximelt, a flour tortilla filled with ground beef, cheese and tomato, and a finger-food line that is expected to increase the chain's expanding takeout and drive-thru business. A Soft Taco and Soft Taco Supreme also have been added to the menu.

The most significant move this year is the establishment of the "Gold Standard '88" program, a restructuring of the management system to bring the menu decision-making process down to the customer level.

CHI-CHI'S **$270MM**

Chi-Chi's has emerged from the "chopped and rolled" tradition of Mexican cuisine, according to Mike Fiori, executive vice president of operations. The company, which had no menu introductions from 1977 to 1984, has been adding one or two items a year since as either brand-new introductions or extensions of existing items.

Chi-Chi's Chajitas run the gamut from steak and chicken to shrimp and pork, to a Deluxe Chajita for two, a combination of all four items. The experimental fixed-price lunch buffets in 20 Eastern units are well past the testing stage. Preliminary results show sales increased 10% to 20%.

More spicy items are being added to Chi-Chi's popular Diablo Dishes line. Grilled chicken, fish and meat also are being promoted. Flavored Magaritas, sold in two sizes, step up entree sales. In addition, Chi-Chi's is looking at tapas and extending its dessert line.

TACO VILLA **$144MM**

The chain, which is up for sale, added the Burrito Platter and is installing double-drive-thru kiosks. Grilled chicken fajita salad sells well, but tacos still remain No. 1.

EL CHICO **$112.2MM**

Enchilada dinners (chicken, pork, shrimp) still hold the edge over newly added beef fajitas.

A two-year commissary contract recently expired, leading the company to improve on existing items such as fajitas, chili meat and tamales, rather than adding new offerings. The quality aspect will be further promoted as the 1988 ad campaign centers on the personal involvement of the Cuellar family, which owns the El Chico chain.

TACO JOHN INTERNATIONAL **$102.6MM**

Menu standardization is the order of the day at this Cheyenne, Wyo.-based chain. The company has scaled down its menu slightly to help address labor costs and make it more efficient from an operations standpoint. "We've made a very decent living off of basic Mexican food," says President Rex Washburn, citing the company's 6% real growth.

Nonetheless, there are 10 to 12 new menu items on the burner at this point.

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LEADING MEXICAN CHAINS

1 TACO BELL INC.
PepsiCo Inc. (2)
Sales: $1,521.6MM* Units: 2,689

2 EL TORITO RESTAURANTS
Restaurant Enterprises Group (12)
Sales: $402MM Units: 187

3 CHI-CHI'S (72)
Sales: $270MM Units: 201

4 TACO VILLA INC.
W.R. Grace Inc. (125)
Sales: $144MM Units: 93

5 NAUGLES
Collins Foods International (18)
Sales: $117 Units (171)

6 EL CHICO INC. (115)
Sales: $112MM Units: 98

7 DEL TACO INC. (157)
Sales: $110 Units: 200

8 TACO JOHN'S INTERNATIONAL (164)
Sales: $102MM Units: 420

9 ACAPULCO RESTAURANTS
Restaurant Associates Ind. (88)
Sales: $65.9 Units: 4

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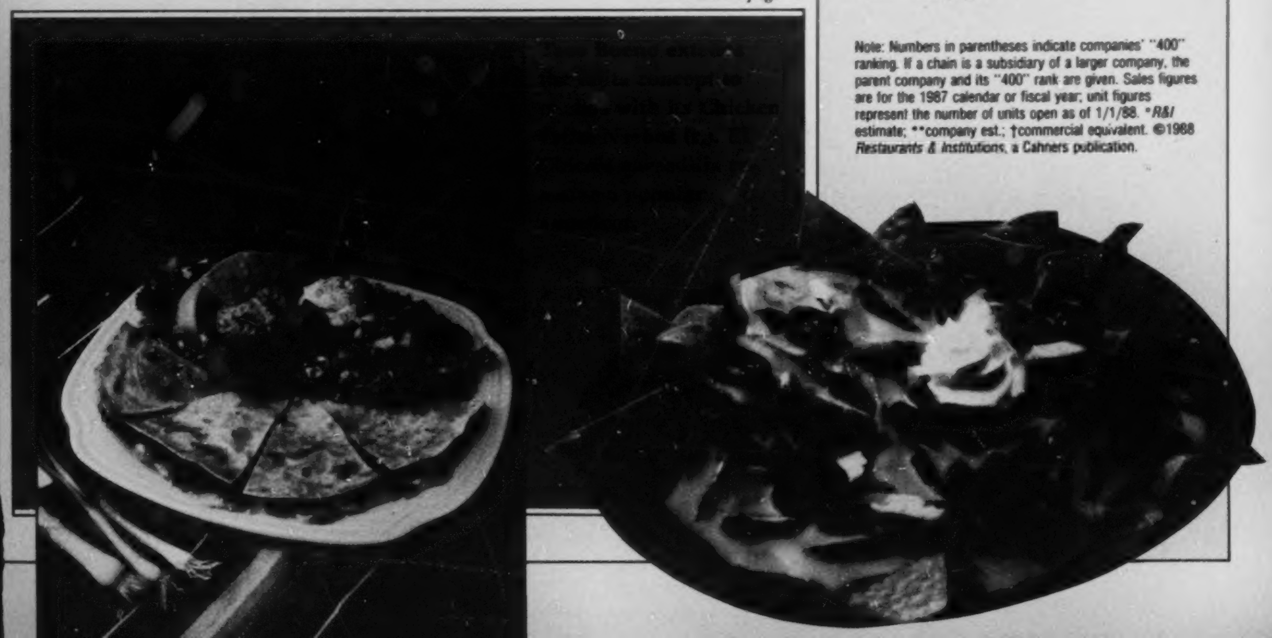
Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.



400: MEXICAN

Whether expanding or limiting menus, chains work to offer authentic Mexican dining.

LEADING MEXICAN CHAINS

Rank	Chain	Parent company	Sales	Units
10	TACO BUENO RESTAURANTS	Unigate Inc. (128)	$59.9**	121
11	GARCIA'S MEXICAN RESTAURANTS	Famous Restaurants Inc. (207)	$58MM	33
12	TACO TIME INTERNATIONAL (224)		$70MM	264
13	PANCHO'S MEXICAN BUFFET INC. (269)		$54MM	56
14	TACO TICO INC. (346)		$36MM	113
15	CASA OLE RESTAURANTS & CANTINAS (354)		$35MM	34
16	MONTEREY HOUSE	Brock Hotel Corp. (96)	$26MM	58

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More chicken items, particularly fajitas, are a menu possibility in the near future; the rest are about 1½ years away.

TACO TIME INTERNATIONAL $70MM

Crisp Taco of seasoned ground beef, Cheddar cheese, lettuce and tomato remains the runaway best seller. Last year, the company introduced chili chips with cheese and will roll out a chicken fajita burrito this summer. Taco Time's Tostada Delight, a crisp scalloped-edge flour tortilla filled with ground beef, Refritos, sour cream, Cheddar cheese, lettuce and tomato, and Mexi-Fries (deep-fried, bite-sized potato rounds) are the chain's own registered trademarks.

The company will promote the nutritional side of its menu in 1988 ad campaigns. The ads will capitalize on the freshness of ingredients used in the chain's menu.

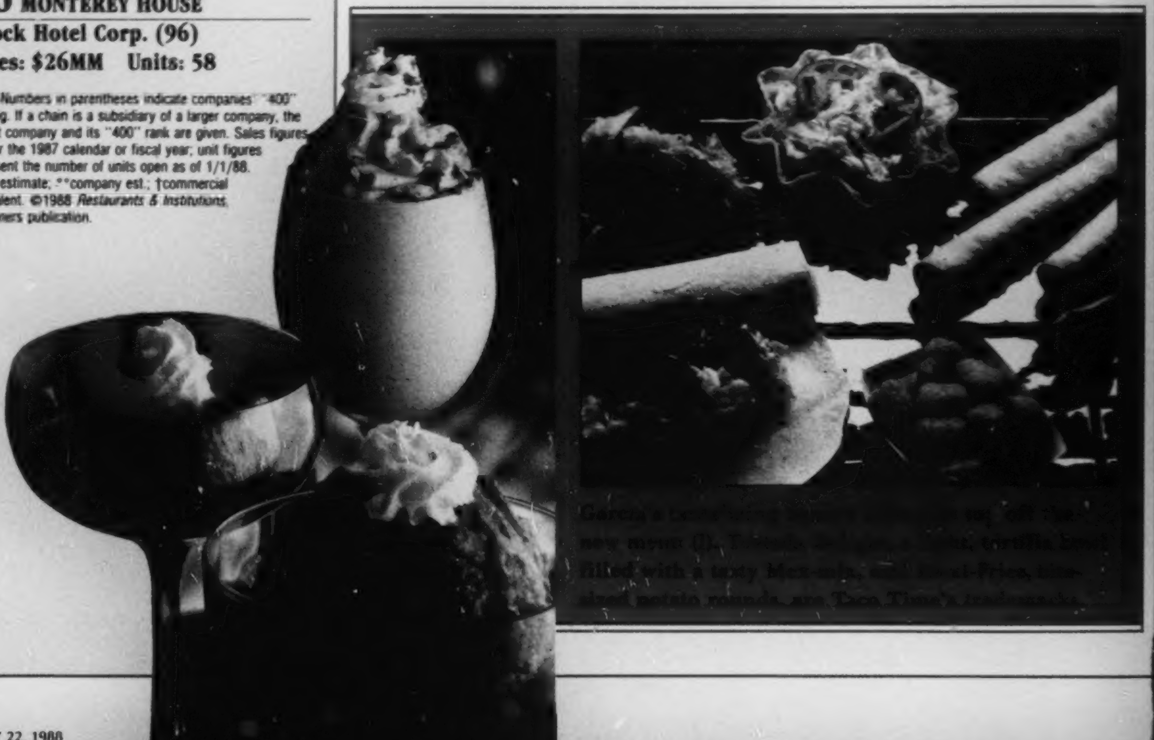
TACO BUENO $59.9MM**

In 1987, the chain introduced Mexi-Dips & Chips, a signature item that accounts for more than 8% of sales. Several new menu items are in test. The first to roll out will be chicken fajita nachos, a variation of the highly successful chicken fajita. The current menu features everything from tacos and burritos to specialty items such as Bueno Platters, fresh guacamole salad and Bueno Chilada. A new salsa bar (and menu board) will be part of a new interior design.

GARCIA'S MEXICAN RESTAURANTS $58MM

Garcia's totally revamped its menu with 22 new presentations, most of which are extensions of existing items. Among them: a "Seafood Fundido," a seafood and cheese chimichanga, an "Enchilada Trio" of chicken, beef and cheese, and a "Lollapalooza" family-style platter of cheese enchilada, *pollo fundido* (chicken stuffed with cheese), mini tacos and chimichangas, fajita burrito (chicken or beef, and vegetables), beef flauta, tostadas, and rice and beans ($15.95 for 2). The fajita burritos and fajita chimichangas also are new.

—Barbara Magan Dawson



Garcia's [illegible] off the new menu (l). Tostada [illegible], tortilla bowl filled with a tasty Mex-mix, and Mexi-Fries, bite-sized potato rounds, are Taco Time's trademarks.

400: SWEETS

ICING ON THE CAKE

Customers' desire for "real" food as well as snacks inspires sweets chains to beef up menus.

Sweets and desserts present a problem to consumers driven by conflicting impulses. And the conflict is showing up on sweet-shop menus. Operators are expanding menus to appeal to both the health-conscious and those looking to indulge.

Health awareness stimulates sales of low-calorie frozen yogurt and wholesome bran muffins. Yet increasingly self-indulgent customers also demand super-premium, high-butterfat ice creams; muffins sizable in heft and calorie count; rolls fragrant with the most expensive cinnamon from the most exotic isles. They seek perfection in familiar comfort foods—a chocolate chip cookie, cinnamon roll or muffin—but are bored with narrow product lines.

Accordingly, superspecialization by operators has proven to be a dead end. Croissant bakers have expanded with cinnamon rolls; cinnamon roll shops now sell bread and muffins; muffin makers have added cookies; and gourmet cookie shops have added muffins. Several, such as Winchell's Donut House, are repositioning as neighborhood bakeries with some degree of success.

Ice cream stores, finding clientele ever more bored with plain vanilla, struggle to meet dueling taste trends with frozen yogurt and high-fat, liqueur-laced premium ice creams—both sprinkled with a variety of toppings to pique jaded palates. Premium ice cream bars are designed to compete with supermarket offerings.

Ice cream shops and doughnut shops (a slice of the segment that has suffered as customers seek more upscale or "healthier" treats) are metamorphosing into full-service restaurants. Companies such as Dairy Queen and Fosters Freeze focus on burgers and chicken in order to become all-meal-occasion restaurants and compete with their larger neighbors. Dunkin' Donuts and Mister Donut try to lure post-breakfast customers with soups and sandwiches. Both have expanded dessert options beyond the trademark product line. New store designs help create a more upscale, contemporary image and increase profitability per square foot.

Ultimate Homestyle Burger anchors IDQ's non-sweets menu.

400: SWEETS

LEADING SWEETS COMPANIES

1	**INTERNATIONAL DAIRY QUEEN (9)**	Sales: $2,032MM	Units: 6,096
2	**DUNKIN' DONUTS (28)**	Sales: $728MM	Units: 1,669
3	**BASKIN-ROBBINS ICE CREAM CO. (35)**	Sales: $624.7MM*	Units: 3,372
4	**CARVEL CORP. (81)**	Sales: $243.8MM*	Units: 750**
5	**MISTER DONUT OF AMERICA (91)**	Sales: $210MM	Units: 709
6	**MRS. FIELDS COOKIES (93)**	Sales: $203.2*MM	Units: 700
7	**WINCHELL'S DONUT HOUSES** Denny's Inc. (13)	Sales: $158.5MM	Units: 764
8	**TASTEE-FREEZ** DeNovo Corp. (120)	Sales: $150MM	Units: 544
9	**BRAUM ICE CREAM & DAIRY STORES CO. (141)**	Sales: $126.8MM*	Units: 200
10	**TCBY ENTERPRISES INC. (145)**	Sales: $121.2MM	Units: 822
11	**FOSTERS FREEZE (179)**	Sales: $90MM	Units: 194
12	**SWENSEN'S ICE CREAM CO. (191)**	Sales: $84.4MM*	Units: 356

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DQ's Treat Center and Baskin-Robbins' 31 Treats offer lots of choices under one roof.

INTERNATIONAL DAIRY QUEEN $2,032MM

Dairy Queen is leading the trend toward wider menus and concepts. The 5,000-plus Dairy Queen restaurants continue to increase emphasis on full meals and burgers, de-emphasizing their trademark soft-serve ice cream.

The company acquired Orange Julius last August and now operates 744 outlets. Also part of the Dairy Queen empire are 222 Karmelkorn shops. The company opened its first "Treat Center" last year—all three shops combined in a food court under one roof.

As part of its move away from positioning as a sweets shop, Dairy Queen last year promoted a "Basket Deal Combo Meal," a sandwich, drink and fries served in a red basket. This March, it introduced the DQ Homestyle Ultimate Burger, with double beef patties, cheese and tomato slices, pickles and a mayonnaise-based sauce.

DUNKIN' DONUTS $728.8MM

Continued profitability in a market segment that can be most generously described as mature is a challenge that Dunkin' Donuts has met. Growth continues at an annual pace of 10%, says Corporate Planning Director Joseph LaPaglia.

Keeping profits high in relation to costs is the biggest challenge, so Dunkin' Donuts has moved away from free-standing operations with baking on premises toward satellite operations of many types. Circle K convenience stores set deliveries of fresh doughnuts every few hours, and 7-Eleven stores are looking at a similar arrangement. Amoco gas stations, shopping mall kiosks and carts at train depots and airports are other forms of outreach.

BASKIN-ROBBINS $624.7MM

Baskin-Robbins USA has jumped on the expanded menu bandwagon and is now testing a "31 Treats" concept, which offers cookies and baked goods as well as ice cream. Test stores are in Ohio, California and Texas.

The chain made frozen yogurt available systemwide last year, and sales of the lowfat confection continue to grow. Hottest sellers, however, are "International Creams" ice creams, particularly Kahlua and Cream. Baseball and football helmet sundaes—served up in plas-

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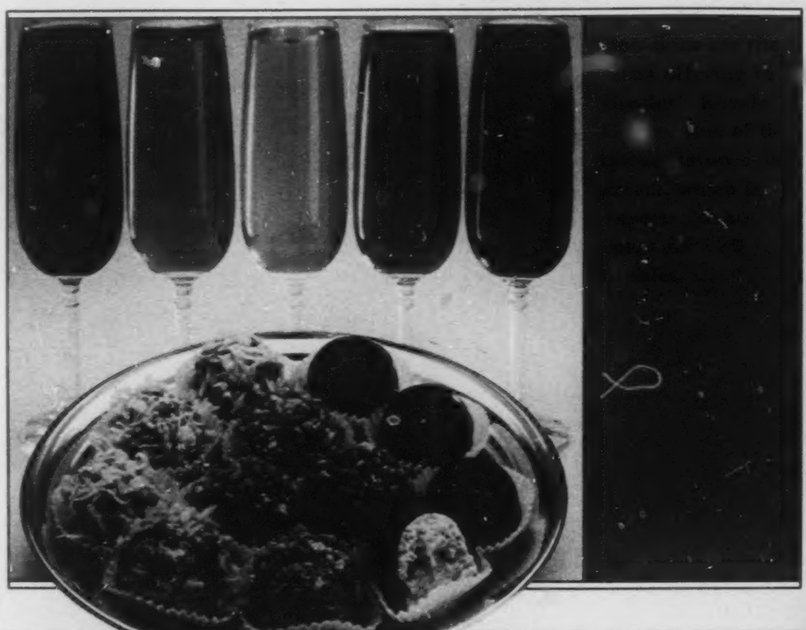

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400: SWEETS

Doughnut and cinnamon roll shops keep sales rising by stretching their product lines.

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tic headgear—were highly successful promotions last year and will also run this year.

BRESLER'S ICE CREAM AND YOGURT $37.5MM

This company's change of store name —from Bresler's 33 Flavors to Bresler's Ice Cream and Yogurt Shops—and corporate name—to Bresler's Division of Oberweis Dairy—both reflect new directions.

The family-owned company, which has been franchising since 1963, was purchased in September by Oberweis Dairy of Aurora, Ill. The company has a new ad agency, Chicago's Wardrop, Mertaugh and Temple, which debuted with a "Shake, Rattle and Roll" milkshake promotion. Many of the 300 stores have been refurbished with natural oak flooring, lots of green plants and illuminated canopies, while retaining the signature orange-and-white color scheme.

Most important, the product line continues to expand, with heavy emphasis on both "Lite Delites" frozen yogurt and "Royale Creme" premium ice cream. A Czar Bar, chocolate-covered cheesecake on a stick, will be introduced this year.

"I think there was once a possibility of us becoming staid and stodgy," says company President Dave Lasky, "but I'm not at all afraid of that anymore."

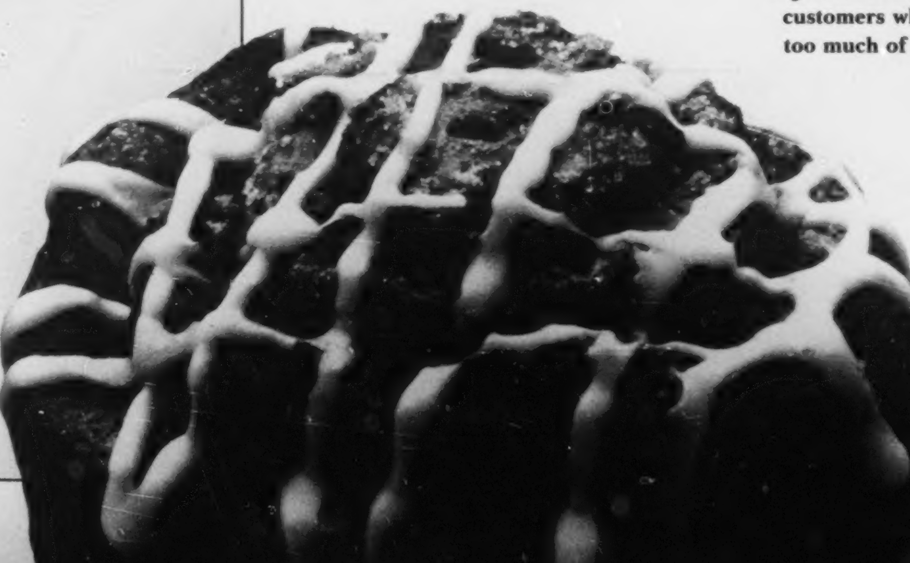
T.J. CINNAMONS $35MM

The founding of this company has become a legend: how Kansas City, Mo., TV newsman Ted Rice and his wife dreamed up a franchise concept of huge, fragrant, hot-from-the-oven rolls and created a whole new food industry.

Writing the second chapter of this saga, however, requires a different sort of creativity. "In the whole history of the food business, nobody has ever survived on just one product," says company President Kenneth Hill. T.J. Cinnamons is staying ahead of the competition by expanding choices in both flavor and size. Pecan, apple almond, caramel, raisin, rum raisin and chocolate chip rolls have been developed. The plan is to have four rotating varieties of fresh rolls available in each shop. Cinnamon bread and pecan coffeecake have been introduced, too. Premium-quality muffins are now being tested.

Though the monster size of the company's rolls is a selling point, it can also turn other customers away. Already available in most of the 220 outlets are "petites," pre-packaged in boxes of six and 12, and "minis," half the size of the petites and packaged 12 or 24 to the box. Now that the company is selling pre-packed as well as fresh rolls, it is looking into retail store sales as the next logical step. —***Rita Rousseau***

T.J. Cinnamons' minis: For customers who don't want too much of a good thing.



LEADING SWEETS COMPANIES

13 ORIGINAL GREAT AMERICAN CHOCOLATE CHIP COOKIE CO. (210)
Sales: $75MM* Units: 375

14 HAAGEN-DAZS
Pillsbury (3)
Sales: $66MM* Units: 300

15 DAVID'S SPECIALTY FOODS (246)
Sales: $60MM* Units: 400

16 BRESLER'S DIVISION OF OBERWEIS DAIRY INC. (340)
Sales: $37.5MM Units: 300

17 T.J. CINNAMONS BAKERIES (358)
Sales: $35MM Units: 201

18 CINNABON WORLD FAMOUS CINNAMON ROLLS
Restaurants Unlimited (195)
Sales: $35MM* Units: 65

19 BRIGHAM'S INC. (395)
Sales: $30MM Units: 72

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I*

400: SEAFOOD

BAITING THE MARKET

Creative preparation techniques and offbeat species keep customers interested and food costs down.

Even though seafood prices were high in 1987, creativity on the part of restaurant chefs and operators helped pique America's appetite for seafood.

Increased seafood consumption by consumers indicates their desire for healthful foods and variety in their diet. Consumers paid more than $28 billion for fish and seafood products in retail and foodservice establishments. This represents a 17% increase over estimated expenditures in 1986.

Extended use of underutilized species such as ocean pout and variations in preparation techniques were a few of the reasons behind the increase in per-capita consumption of seafood for the fifth consecutive year. Despite some inconsistencies in supply, per-capita usage of fish and seafood in the United States rose from 12.3 pounds in 1982 to 15.4 pounds in 1987, according to statistics from the National Marine Fisheries Service. The National Fisheries Institute attributes a 5% gain in consumption from 1986 to 1987 to increases in the supply of shrimp, catfish, cod and pollack, which resulted in better prices and availability.

Farm-raised fish and shellfish will become increasingly important in the years to come. Aquaculture development of catfish in the Southern states and shrimp in various countries throughout the world is netting great results. Consumption of catfish is projected to increase 32% in 1988. Tilapia, a farm-raised mild white fish, is just starting to penetrate markets. Salmon farming facilities also are being established in cold-water locations in both Northern and Southern hemispheres, including the states of Maine and Washington. Restaurants will be able to serve favorites such as salmon on a much more consistent basis.

The controversy regarding the management structure of redfish fisheries raged on in the state and federal legislatures in 1987. Supply remains tight as nothing is being caught outside state waters in federal zones out to 200 miles. Even restaurateurs operating in areas where redfish is traditionally in good supply (Mississippi, Louisiana) are scrambling for shipments.

Red Lobster celebrates its 20th anniversary in 1988.

RESTAURANTS & INSTITUTIONS

Long John Silver's seafood platter is now deep-fried in vegetable oil.

RED LOBSTER $1,000MM

The nation's largest seafood dinner house celebrated its 20th anniversary by completing its chainwide remodeling program and updating its menu with fresh, broiled and grilled seafood items. These enhancements led to a 4% to 6% increase in average weekly sales per unit and a 3% jump in customer traffic.

The big news at Red Lobster is the introduction of a 15-minute-or-free-lunch program. Most items on the new lunch menu are priced under $4.99 to compete with fast-food restaurants.

On the average, only one meal per week has failed to meet the guarantee at each restaurant. Additional employees have improved the speed of assembly in the serving alleys. Servers are instructed to deliver entrees immediately after preparation, whether or not the order was originally theirs. Since the program began in October, lunchtime sales are up an average of 20%.

Marketing remains an operational strength. Red Lobster promotions continue to be product-driven, not price-driven. Lobsterfest and Seafood Trios, advertised mainly on television, also have been instrumental in driving up customer counts.

The chain also initiated a new training program last year. It introduced "value-added service" and "value-added management" programs to strengthen teamwork, improve service and further educate managers about good personnel practices and their effect on productivity.

LONG JOHN SILVER'S $746.85MM

The anticipated rollout of Long John Silver's broiled-fish program was put on hold in April to stem the tide of eroding sales. Some company units, however, are serving broiled cod, halibut, flounder and shrimp, priced from $3.79 to $5.19. Early sales returns of the broiled products at units in heartland cities such as Austin, Texas, and Toledo, Ohio, have been very disappointing, generating only 6% to 8% of the sales mix.

About 550 units were remodeled to fit broilers and additional cooler space at a cost of up to $250,000 per store, but only 150 stores are providing the products.

The chain is working to reduce dependency on North Atlantic cod and has developed a new Crispy Breaded Fish, Atlantic whiting deep-fried in vegetable oil. The lower cost of whiting allows Long John Silver's to offer fish entrees at substantially lower prices for increased customers' value perception.

In order to reflect the changing life styles of consumers, seafood salads and soups have been added to appeal to consumers who desire a non-fried, light meal. Seafood Pasta Salad was introduced last year to complement the existing Ocean Chef, Seafood and Combo salads.

Enhancements to deep-fried selections include the addition of clams to the Seafood Platter, the introduction of a breaded Cajun Shrimp Dinner and the creation of a lighter breading for catfish to improve flavor and texture.

In Long John Silver's new opera-

A seafood entree from Paragon Restaurant Group Inc., operators of numerous operations, including Rusty Pelican restaurants.

LEADING SEAFOOD COMPANIES

1 RED LOBSTER U.S.A.
General Mills Restaurants (14)
Sales: $1,000MM Units: 450

2 LONG JOHN SILVER'S
Jerrico Inc. (25)
Sales $746.85MM Units: 1,451

3 CAPTAIN D'S
Shoney's Inc. (17)
Sales: $342.5MM Units: 578

4 PARAGON RESTAURANT GROUP (115)
Sales: $162MM Units: 83

5 SKIPPER'S INC. (176)
Sales: $94.96MM Units: 180

6 C.A. MUER CORP. (223)
Sales: $70MM Units: 14

7 RUSTY PELICAN (245)
Sales: $60.2MM Units: 21

8 SEAFOOD BROILER (267)
Sales: $54.4MM Units: 28

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400: SEAFOOD

LEADING SEAFOOD COMPANIES

9 SEA GALLEY STORES INC. (268)
Sales: $54MM Units: 50

10 LEGAL SEA FOODS INC. (284)
Sales: $49.7MM Units: 11

11 PHILLIPS SEAFOOD RESTAURANTS INC. (303)
Sales: $45MM Units: 7

12 THE ORIGINAL SEAFOOD SHANTY RESTAURANTS (357)
Sales: $35MM Units: 14

13 ARTHUR TREACHER'S (379)
Sales: $32MM Units: 106

14 L&N SEAFOOD GRILL
Morrison Inc. (22)
Sales: $29MM Units: 15

15 MONTEREY BAY CANNERS
Trans/Pacific Restaurants (185)
Sales: $20MM Units: 11

16 FAMOUS FISH CO.
Famous Restaurants Inc. (207)
Sales: $8.5MM Units: 5

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Legal Sea Foods is experimenting with Shandong, an old Chinese cooking technique.

tions, the service style has been changed from cafeteria style to scatter-line to provide more room for seating.

CAPTAIN D'S $342.5MM

The Nashville-based chain added to its line of non-fried menu items in 1987 with the introduction of a grilled flounder served with rice and green beans for $4. Since consumption has risen dramatically, Captain D's, along with many other seafood chains, added catfish to its menu.

To further enhance its image, the chain has embarked on a renovation project to give its units a more contemporary look with lighter woods and colors, larger windows and a fresh navy blue trim for the exterior.

SKIPPER'S $94.6MM

The emphasis in 1988 will not be on the menu. A back-to-basics policy will focus on enhancing the image of existing products and units. Distractions such as new product rollouts will be avoided.

Skipper's has revised its trimming procedure of cod to give the customer a fatter, deeper cut of fish. In order to put a cap on waste and escalating food costs, the chain has decided to scrap its salad bar and has introduced entree salads.

Radio advertising in the second half of the year will emphasize an improved product in a attempt to bring back the customers the chain feels it has lost.

SEA GALLEY STORES $54MM

The chain is no longer assuming it knows what the customer wants and is keeping an ear to the ground in 1988, listening to what customers say they want.

Sea Galley is trying to increase market share and recently expanded its salad bar and added new combination surf-and-turf platters priced from $6 to $8, much lower than the $11 average check. Crab legs remain the signature item of the menu. A $5.99 top sirloin and deep-fried shrimp combo is among the hottest-selling menu items.

LEGAL SEA FOODS $49.7MM

While swordfish and scrod continue as top sellers, Legal Sea Foods is providing the seafood segment with perhaps the most exciting innovation today.

In an exchange with China, Legal has brought in two master chefs from the little-known Shandong province to create eight to 10 new menu items. Shandong items are not highly spiced, and the technique is refined so the seasoning brings out the freshness of the product. Vice President of Operations Roger Berkowitz says Shandong cooking may become so popular that it will replace Szechwan and Mandarin techniques.

In 1987, Legal also added gourmet seafood salads, pasta salads and a light clam chowder that does not contain butter, flour or cream.

ARTHUR TREACHER'S $32MM

Broiled chicken tenderloins have been added to the menu, and experiments with various fish and seafood species continue. The original fish and chips product remains, far and away, the best seller on the menu.

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Shandong entree from Legal Sea Foods in Boston.

400: SEAFOOD

Many chains are adding catfish to menus: Consumption is expected to rise 32% this year.

L&N SEAFOOD GRILL $29MM

The chain is regionalizing its menu with an emphasis on local seafood favorites. In the Deep South, new menu items will include fried and broiled seafood such as stuffed shrimp, stuffed whole flounder and broiled fillet of flounder.

L&N is also concentrating on promoting a whole broiled lobster and Caribbean seafood created by using seasonings such as chili peppers, coriander and tamarind.

For lunch, a buffet with three entrees and a large selection of soups and salads is being tested. Luncheon sandwich combinations are being tested at units in Mobile and Birmingham, Ala. The new menu includes oyster poor boy sandwiches, tuna, chicken or cheese melts, and fried shrimp loaf sandwiches.

A new Sunday brunch for $7.95 has become extremely popular with patrons. It includes an extensive selection of omelets, seafood entrees such as catfish and a dessert bar.

Mesquite-grilled seafood entrees continue as the chain's mainstay.

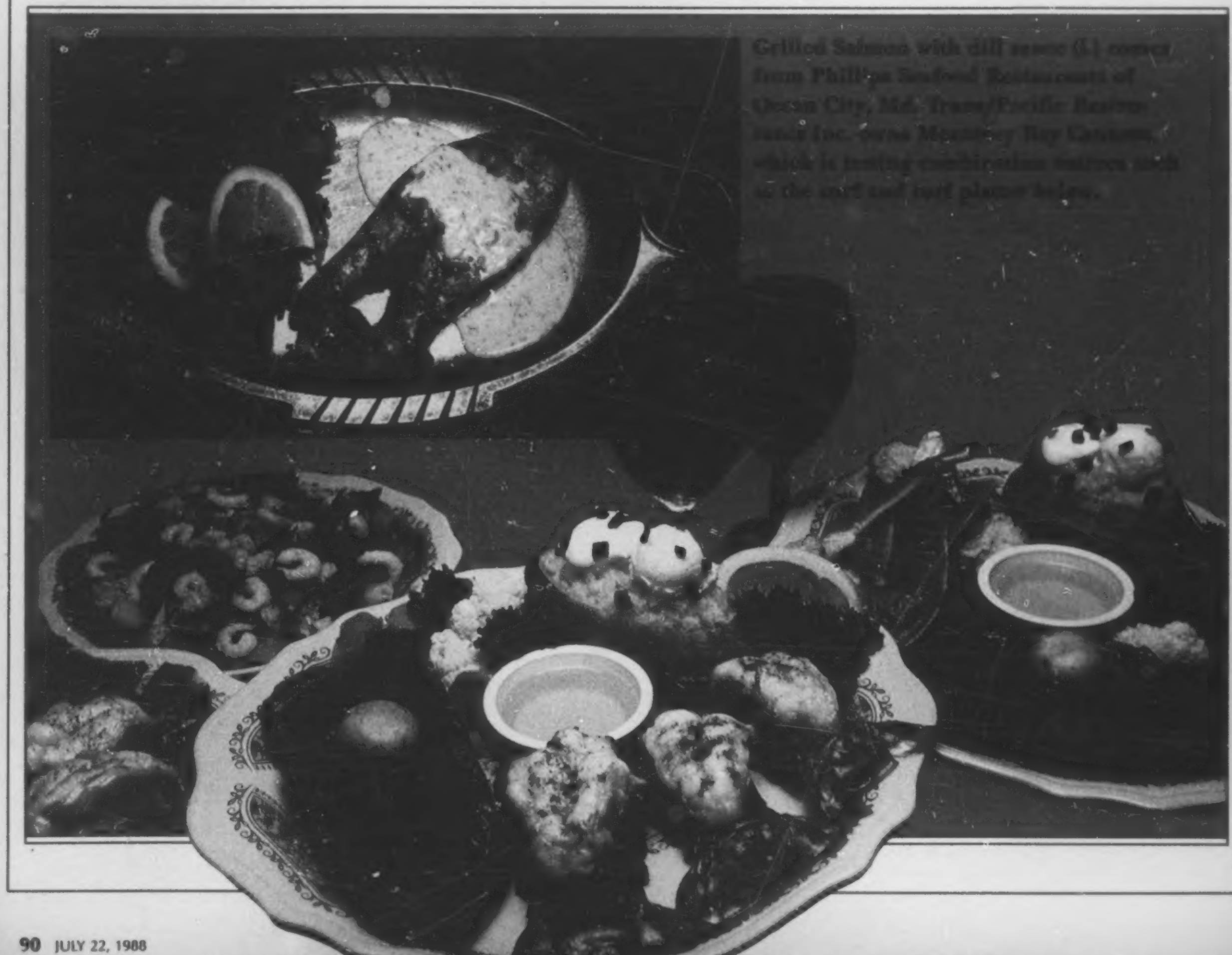
MONTEREY BAY CANNERS $20MM

In addition to serving fresh seafood items broiled over wood charcoal, Monterey Bay Canners began offering seafood prepared by a variety of cooking methods, including blackening, deep-frying and sautéing. The 11-unit chain is testing fresh pasta dishes, combination entrees, specialty shellfish and seafood salads.

FAMOUS FISH CO. $8.5MM

Famous has undergone a complete menu switch to combat declining traffic counts. The former menu mix was almost 100% mesquite-grilled fish served with a baked potato and vegetable. But high costs of fresh fish forced the chain to raise menu prices.

The new menu of extension items includes seafood stir-fries, casseroles, shish kebabs, melts, pastas such as seafood linguine and marinated products such as teriyaki shark. The expanded menu mix is expected to increase audience appeal and provide more dinners in the midprice range. *—Jeff Weinstein*



Grilled Salmon with dill sauce (L) comes from Phillips Seafood Restaurants of Ocean City, Md. Trans/Pacific Restaurants Inc. owns Monterey Bay Canners, which is testing combination entrees such as the surf and turf platter below.

400: PIZZA/ITALIAN

PIE IN THE SKY

Although pizza's popularity keeps growing, key players use discounts, delivery to fight for market share.

The pizza war is on. Delivery, price-cutting, discounting (up 30% from 1986) and product introductions are the weapons of choice in the battle for the pizza dollar. Tremors from the marketing battlefield can be felt all the way down to the local shop that starts its own two-for-one offer when a Little Caesar's opens down the block. Conversely, the big chains have their work cut out in maintaining quality. An "adequate" pizza, although delivered to the door, may not be enough to sway the consumer from an exceptional local product a short drive or walk away.

The quality issue is gaining notice. Noble Roman's, the 100-unit Indiana-based chain, guarantees quality with the offer of "If it's not OK, you don't pay." The strategy began in reference to service and now applies to the food as well. In a similar vein, San Francisco-based Round Table Pizza is thriving and claims quality is the cornerstone. Whole-milk mozzarella cheese, dough made twice daily and premium meats that contain no fillers are ingredients that bring customers back.

American Heart Association menu approval, gaining momentum in the sandwich and dinner house segments, is making its way into pizza parlors. Mazzio's, for instance, is launching a major campaign touting the association's heart emblem on its pizza. The trend should continue, starting with smaller chains and rising through the ranks.

The majority of the big chains are improving convenience by adding more items to menus and making those items more quickly accessible to the consumer. Off-premises dining has increased 27.7% during the past five years as compared to a 5.2% increase in on-premises dining, according to GDR/Crest's annual industry report. Currently, 63% of the chains deliver pizza and 11% plan to add the service in the future. Drive-thru service is catching on; Godfather's, Little Caesar's and Mazzio's already offer the service, and the trend will continue.

Full-spectrum Italian concepts are gaining momentum. The success of Olive Garden, Valentino's, Sbarro and The Old Spaghetti Factory

New in 1987: Pizza Hut's Golden Pan Pizza with wheat crust.

RESTAURANTS & INSTITUTIONS

are ringing marketing bells in both the pizza specialty sector and non-pizza segments. Many pizza chains offer pastas and Italian dishes in addition to the basic pizza selections. Chains in other segments are picking up the idea: Rax, Wendy's and Ryan's have all added Italian items to their food bars.

PIZZA HUT $2,500MM

PepsiCo's pizza chain is one step ahead when it comes to trends. The company began delivery service in 1985, broke even on the proposition for the first time in 1987 and expects the service to turn a profit this year.

Shopping centers are the next target; counter-service operations in malls and other shopping centers are in test. Speed is of the essence, whether the customer stops by while shopping or sits down for a meal in a full-service unit. For the latter, technological pursuits include pre-production of the five-minute Personal Pan Pizza, hand-held terminals into which the wait staff enters orders (which travel instantly and accurately to the kitchen) and testing of ovens that reduce cooking time.

Menu trends garner an equal share of company attention. A hand-tossed Traditional Pizza crust is being tested to meet the demands of one-third of Pizza Hut customers who expressed desire for something in between the deep-dish and Thin 'N Crispy offerings. Promotional pizzas, including the Cheese Lovers Pizza, the Meat Lovers Pizza and the Cajun Style Pizza, cater to individual tastes. In some units, the Pairs promotion, offering two-for-one pizzas bought at the store, helps meet the "value deal" criteria set by competitors.

DOMINO'S $1,980MM

The delivery dynamo of the pizza industry reduced average delivery time to 23 minutes in 1987. The bad news, considering Domino's niche as the chain that delivers, is that the 30-minute guarantee was reached at a rate of 65%, up from 50% in 1986, but far below President Tom Monaghan's expectations. Improving delivery will be a major point of concentration in 1988.

Improving the quality of the pizza is another area of concentration. Domino's Delta Dough is in its fourth generation and is being tested in several stores throughout Ann Arbor and Ypsilanti, Mich. The crust formula has a long shelf life and handles easily with a taste and texture the company claims appeals to consumers. Research and development is getting the crust-bubble problem under control and is finding new ways to keep crust fresh once out of the oven. Finding a crust that resists steaming en route (absorbed water is what can give a pizza a "cardboard" taste) is a high priority. Domino's is also testing size and portion possibilities.

The prototype for a new free-standing unit is on the boards. The new building will allow flexibility of location.

LITTLE CAESAR ENT. $725MM

The master of the famous "two-for-one" pizza deal now extends the offer

Pan Pan pizza joins regular pizza and sandwiches on Little Caesar's menu.

LEADING PIZZA COMPANIES

1 PIZZA HUT
PepsiCo Foodservice Div. (2)
Sales: $2,918.4MM Units: 5,394

2 DOMINO'S (10)
Sales: $1,980MM Units: 4,279

3 LITTLE CAESAR ENT. INC. (30)
Sales: $725MM Units: 1,820

4 PANTERA'S PIZZA (62)
Sales: $300MM Units: 786

5 ROUND TABLE FRANCHISE CORP. (75)
Sales: $262.5MM Units: 535

6 GODFATHER'S PIZZA
Pillsbury Co. (3)
Sales: $261MM Units: 186

7 SHOWBIZ PIZZA TIME INC.
Brock Hotel Corp. (96)
Sales: $177MM Units: 275

8 SHAKEY'S INC. (123)
Sales: $145.4MM Units: 364

9 MR. GATTI'S INC. (132)
Sales: $136MM Units: 338

10 MAZZIO'S CORP. (137)
Sales: $130MM Units: 350

11 PAPA GINO'S OF AMERICA (149)
Sales: $120MM Units: 200

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400: PIZZA/ITALIAN

Speed, quality are the impetus behind new and improved marketing strategies.

LEADI[illegible]ZA COMPANIES

12 **ROCKY ROCOCO (254)**
Sales: $57MM Units: 121

13 **UNO RESTAURANT CORP. (272)**
Sales: $52.3MM Units: 41

14 **DINO'S U.S.A. INC. (281)**
Sales: $50MM Units: 205**

15 **PETER PIPER INC. (283)**
Sales: $50MM Units: 109

16 **STRAW HAT COOPERATIVE CORP. (324)**
Sales: $39.8MM* Units: 80

17 **NOBLE ROMAN'S INC. (325)**
Sales: $39.3MM Units: 100

18 **PIZZA KING FRANCHISES (339)**
Sales: $37.7MM* Units: 91

19 **PIETRO'S CORP. (348)**
Sales: $36MM*Units: 65**

20 **LA ROSA'S INC. (366)**
Sales: $34MM Units: 45

21 **HAPPY JOE'S PIZZA & ICE CREAM PARLOR INC. (400)**
Sales: $30MM Units: 85**

22 **CASSANO'S**
Greyhound Food Mgmt. Inc. (52)
Sales: $26.2MM Units: 64

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for its brand new Pan Pan pizza. The square, deep-dish style pizza, introduced in April 1988, is the company's first new product launch in two years and should complete unitwide rollout by the end of this year. Hopes for success are high.

This year also marks the company's first venture into network television advertising. The campaign is being handled by Cliff Freeman & Partners, the group responsible for Wendy's "Where's The Beef?" campaign. The agency is a division of Saatchi & Saatchi DFS Compton, the company Little Caesar hired in December 1987. The new ads compare the benefits of Little Caesar's to the rest of the pizza pack.

GODFATHER'S PIZZA $261MM

Godfathers's reversed a three-year sales decline and showed a profit for the first time since 1984. The turnaround was due, in part, to new product introductions and an increase in home-delivery operations, according to the company's annual report.

Successful menu additions included Hot Slice, a large slice of pizza served in three minutes, Stuffed Pie Pizza, a double-crusted affair, and the large Super Combo pizza, which offers 10 toppings for the price of six. The Thin Crust Classic was introduced in 1987 and is in direct competition with Pizza Hut's new hand-tossed crust. Godfather's franchisees have been given the go-ahead to offer two-for-one deals on the "Classic" pizzas. A deli concept is in test in several franchised units.

Despite the good news, Pillsbury intends to sell the chain as part of a corporate restructuring that began in January. Godfather's management, led by President Herman Cain, has made a bid for the chain.

MAZZIO'S $130MM

It was one busy year for this Tulsa, Okla.-based pizza chain. The company asked patrons what would make them come to Mazzio's more often. The answer: pasta. Hence the prolific rollout in 1988: lasagna, fettuccine alfredo (very hot) and pasta salads. In the fall, the second tier will begin with several stuffed shell and sauce introductions. The company also added chicken Parmesan, Chicken 'N Cheddar and garlic bread. Fried cheese and "Wings of Fire" appetizers are in test. Pizza will be offered in several new versions in "limited-time-only" deals. The specialty pizzas include bacon, lettuce and tomato, cheeseburger, Mexican, Cajun and seafood variations.

The company recently implemented its new generation of free-standing,

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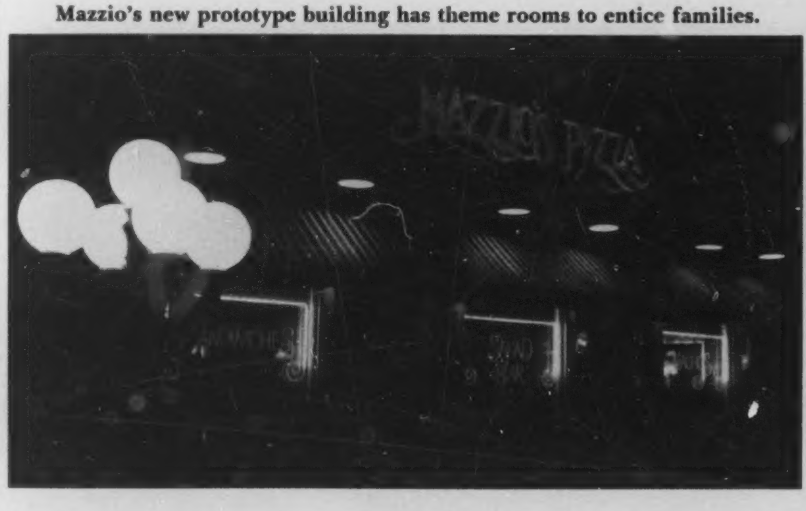
Mazzio's new prototype building has theme rooms to entice families.



400: PIZZA/ITALIAN

Prego! It's no secret that Italian is "hot." Old World recipes are drawing diners and dollars.

LEADING ITALIAN COMPANIES

1 OLIVE GARDEN
General Mills Corp. (14)
Sales: $200MM Units: 85

2 SBARRO LICENSING CORP. (153)
Sales: $117MM Units: 253**

3 OSF INTERNATIONAL (338)
Sales: $37.9MM Units: 26

4 VALENTINO'S (342)
Sales: $37MM Units: 36

5 GRISANTI'S
Imasco USA (8)
Sales: $10.5MM* Units: 32

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full-service units featuring "elements," separate rooms for dining, parties, games and television. The prototypes also include drive-thru service.

OLIVE GARDEN $200MM

If it's true that midscale dining operations showed the lowest sales and traffic growth in 1988, (compared to fast food and upscale), Olive Garden isn't paying attention to the industry.

The concept that General Mills began in 1982 is now 85 units strong and should reach 125 by the end of this year. When the customer enters an Olive Garden, a chef is preparing fresh pasta in full view in a special prep area by the entrance. All pasta is handmade on the premises daily. Once seated at umbrella-topped tables, guests are treated to an all-you-can-eat garden salad (replenished often) and soft bread sticks dusted with garlic and butter.

Traditional dishes such as lasagna, spaghetti, manicotti, chicken parmigiana and ravioli are offered, as is more exotic fare from Northern Italy: scampi, veal *piccata*, chicken Marsala and steak Tuscany. Children's plates, soup and salad combinations, light entrees and full meals (topped by generous dessert offerings) appeal to a range of diner appetites and budgets. Check averages range from $8 to $10.

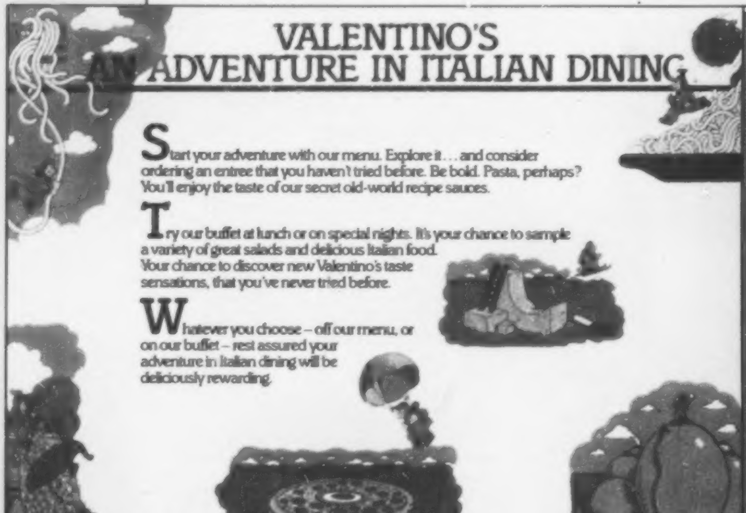
VALENTINO'S $37MM

Valentino's is creating its own "Little Italy" in the heart of Nebraska. The chain employs a variety of menu marketing tactics to keep unit volumes high. The chain's buffet is open seven days a week for lunch and dinner. Spaghetti and *mostaccioli* with a choice of six sauces, baked lasagna, baked manicotti, primavera casserole, pizzas (regular, deep dish and double crust) and lots of salads make the buffet look like Sunday dinner at Mama's.

In 1987, the company introduced mini-pizza packs, half-baked pizzas for takeout as well as full-sized frozen pizzas. Valentino's will pack a pizza for interstate delivery on request. Special offers such as deli salad of the month and coupons for free beverages are rolled out regularly.

With a full-line to-go menu and the addition of takeout delis in 1987, Valentino's is capitalizing on comparing its takeout to that of competitors (much like Shakey's Ours vs. Theirs campaign). The success of the "bountiful buffet" should continue to grow.

—***Beth Gotschall***



VALENTINO'S
AN ADVENTURE IN ITALIAN DINING

Start your adventure with our menu. Explore it . . . and consider ordering an entree that you haven't tried before. Be bold. Pasta, perhaps? You'll enjoy the taste of our secret old-world recipe sauces.

Try our buffet at lunch or on special nights. It's your chance to sample a variety of great salads and delicious Italian food. Your chance to discover new Valentino's taste sensations, that you've never tried before.

Whatever you choose – off our menu, or on our buffet – rest assured your adventure in Italian dining will be deliciously rewarding.

A colorful place mat from Valentino's touts the benefits of dining *al Italiano*, where the accent is on freshness. The company still operates under the careful watch of the Alesio and Messineo families of Lincoln, Neb.

400: STEAK & BBQ

THE GREAT CUSTOMER ROUNDUP

New beef offerings keep core patrons happy, while chicken and seafood attract new customers.

No question about it: Beef is back. The steak slump has leveled off, and barbecue is burgeoning. Limited-service steakhouses Bonanza and Sizzler are still promoting seafood, chicken and salad, but full-service steakhouse leaders Stuart Anderson's and Steak & Ale are back to beef with a vengeance.

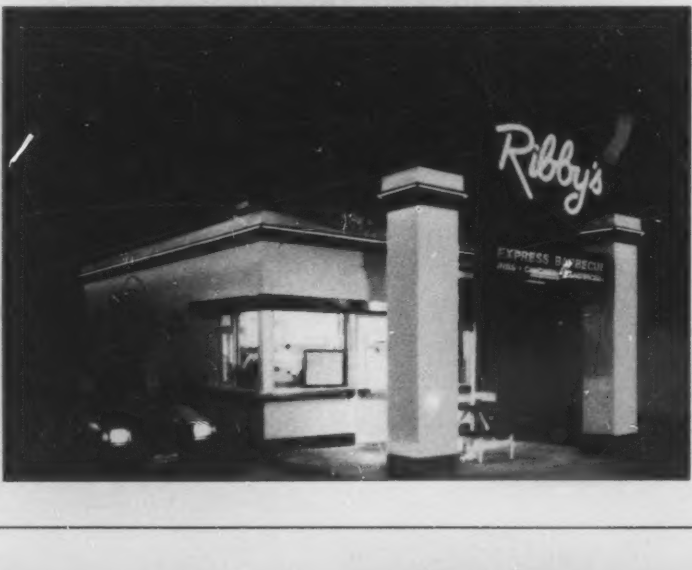
Budget steakhouses that expanded their menus in the past several years have also cut back to beef, while others claim a steak focus but continue to put their energies into enormous hot-food bars. On the barbecue front, Ribby's (USACafes' new concept) is in gear to expand, Fat Boy's is into the competition, and Tony Roma's opened its first company-owned drive-thru unit.

That Sizzler places so little emphasis on beef is no surprise when it becomes clear that the company doesn't regard itself as in the steakhouse business. "We left the steakhouse segment five years ago," says Sizzler President Thomas Gregory. "Most people aren't coming here for steak; they're coming here for seafood and salad." Asked about the accuracy of the Sizzler name, Gregory admits, "It doesn't really reflect what we're about any more."

Bonanza is less adamant about its classification. But the company's continued strategy of menu diversification through the addition of poultry, seafood and higher-ticket items puts it in closer competition with Sizzler than other steakhouses.

A diverse menu caused problems for Pillsbury's Steak & Ale because the changes confused loyal customers and did not build sales. "We conducted research and discovered that instead of bolstering sales, a widely diversified menu would contribute to a deterioration of sales over time as the impact of unclear positioning took its toll," says Lane Cardwell, vice president of strategic planning at Steak & Ale. S&A, like Stuart Anderson's, is putting its marketing energies back into steak.

Ribby's on a roll: 20 planned for 1988.



Stuart Anderson's back-to-basics beef strategy for 1987 resulted in a 5% increase in beef consumption by the first quarter of 1988. The company still has fish and chicken on the menu, but the items are secondary to steak.

PONDEROSA **$730.4MM**

Ponderosa attributes 1987's 7% decrease in customer counts to weaker sales throughout the industry following the stock market crash and to the fact that Ponderosa had no heavy-hitting new product introductions in 1987.

Menu items added in 1987 were mainly additions to the salad bar: a pasta bar, home-style soup bar, Fiesta bar (a Mexican-style food bar now used as a promotion), appetizer items such as chicken bits (99 cents extra) and express lunch.

The company continues to experiment with the salad bar, but also is testing the idea of selling only USDA Choice steaks. Ponderosa's Grand Buffet experiment includes several nonentree hot food items such as fried vegetables and chicken wings. It is currently in test in three markets.

BONANZA **$529.5MM**

Bonanza moved through 1987 and into 1988 with a strategy of menu diversification via poultry, seafood and additions to its Freshtastiks food bar. "We haven't reached the peak yet with variety," says Senior Vice President of Marketing Will Clayborn. Several broiled-fish entrees were launched, and the company introduced higher-ticket items such as Chicken Monterey Supreme, prime rib and crab legs.

Despite the gradual upscale slant, Clayborn says Bonanza is still tied to a base of budget-conscious customers and caters to them with constant enhancements to the food bar. Because the bar is included with every entree at no extra charge, Bonanza doesn't put entrees on the bar.

In 1988 Bonanza is taking the spotlight off the chicken/seafood vs. beef issue and putting it on value.

In addition, the company is working to improve its lunch program. "We think lunch is an underdeveloped opportunity for us," says Clayborn. "If we can overcome a speed-of-service perception problem with customers, it won't be difficult to get people to trade up to Bonanza from fast food."

Meanwhile, USACafes continues to expand Ribby's Express Barbecue, which serves barbecue pork and beef ribs, chicken and sandwiches. Two company-owned stores in Dallas are open, and the first franchised store is under construction in Chicago. Ribby's is negotiating franchise contracts in Dallas, California, Chicago, Kansas City, Mo., North Carolina and Tennessee. It plans to open 20 stores this year.

STEAK & ALE **$225MM**

Lane Cardwell, senior vice president of strategic planning at S&A Restaurant Corp., says the best thing Steak & Ale did in 1987 was focus on quality steaks.

The move back to steak was a new focus for Steak & Ale. "Like a lot of others, we tried to please the public with menu diversification, adding a lot of chicken and fish," says Cardwell. But the addition of those items didn't add anything to Steak & Ale's sales. In fact, S&A conducted research that showed sales would decrease if the company

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Steak & Ale's return to beef pushes sales up.

LEADING STEAKHOUSE/ BARBECUE COMPANIES

1 SIZZLER
Collins Foods International (18)
Sales: $754.3 Units: 574**

2 PONDEROSA (27)
Sales: $730.4MM Units: 693

3 BONANZA, RIBBY'S
USACafes (39)
Sales: $529.5MM Units: 605

4 WESTERN SIZZLIN' (43)
Sales: $466.2MM Units: 585

5 GOLDEN CORRAL, OH! BRIAN'S
Investors Management Corp. (45)
Sales: $445.8MM Units: 542

6 STEAK & ALE
Pillsbury Restaurant Group (3)
Sales: $225MM Units: 160

7 QUINCY'S
TW Services (11)
Sales: $221.5MM Units: 215

8 RYAN'S FAMILY STEAK HOUSES (100)
Sales: $185MM Units: 95

9 WESTERN STEER FAMILY STEAKHOUSES
Western Steer-Mom 'n' Pop's Inc. (105)
Sales: $179.6MM Units: 192

10 STUART ANDERSON'S
American Restaurant Group (40)
Sales: $170MM* Units: 85

11 TONY ROMA'S
Roma Corp. (131)
Sales: $136.8MM* Units: 120

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400: STEAK & BBQ

LEADING STEAKHOUSE/ BARBECUE COMPANIES

12 YORK'S
General Mills Restaurants Inc. (14)
Sales: $120MM Units: 100

13 MR. STEAK
Jamco Ltd. (175)
Sales: $95MM Units: 146

14 HAPPY STEAK INC. (217)
Sales: $70.9MM Units: 95

15 SONNY'S REAL PIT BBQ (226)
Sales: $68.5MM Units: 76

16 K-BOB'S STEAKHOUSES INC. (235)
Sales: $64.5MM Units: 85

17 SIRLOIN STOCKADE INTL. (299)
Sales: $45.2MM Units: 66

18 BEEFSTEAK CHARLIE'S
Lifestyle Restaurants Inc. (252)
Sales: $38.4MM Units: 49

19 RUTH'S CHRIS STEAK HOUSE INC. (343)
Sales: $37MM Units: 19

20 BOBBY RUBINO'S USA (351)
Sales: $35MM Units: 19

21 CASK AND CLEAVER, LORD CHARLEY'S
C&C Organization (392)
Sales: $30MM Units: 22

22 FAT BOY'S BAR-B-Q (396)
Sales: $30MM Units: 36

23 FIFTH QUARTER
Shoney's (17)
Sales: $18.2MM Units: 8

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Steaks are again the focus at Ponderosa, Mr. Steak, S&A and Stuart Anderson's.

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didn't make some changes.

As a result, the chain dropped some chicken and fish items and added three new steak items. Since making the changes in October, S&A has seen more than a 10% increase in sales. "We still have a good breadth of non-steak items, just not as much depth," says Cardwell.

YORK'S $120MM

General Mills' York's restaurants are in the midst of a major repositioning to appeal more to the lighter-dining customers that frequent York's mall locations. York's has dropped the "steakhouse" half of its title and is remodeling units to incorporate a brighter and more contemporary color scheme. The company is taking the chicken and seafood menu-diversification route and is adding a huge food bar. The food bar, christened York's Bounty Buffet, is an all-you-can-eat affair including hot and cold foods and some entree-type dishes.

MR. STEAK $95MM

Underperforming restaurants and poor payment records by franchisees forced Mr. Steak's parent company Jamco to file for reorganization under Chapter 11 in October. By March of 1988, many of the problems had been resolved, and Jamco was busy preparing its reorganization plan for presentation this year.

One innovative step taken in December as a result of the reorganization was the formation of Mr. Steak's Marketing Cooperative. Under this setup, Mr. Steak's marketing and advertising functions are administered by an elected council of franchisees and company representatives. The first promotion the co-op created was a seafood promotion—"Mr. Steak's Gone Fishin.'"

The company continues to do well with combination steak platters. Several samplers will roll out this fall. The Great American Sampler includes a steak kebab, marinated chicken breast and miniature shrimp. The Mixed Grill includes steak, pork chop and chicken. Also scheduled for the fall is a "name steaks" campaign featuring T-bones, rib-eyes, filet mignons and more.

—Monica Kass

Spring seafood promotion "Mr. Steak's Gone Fishin'" was the first program developed by Mr. Steak's newly formed advertising and marketing cooperative. The promotion ran from March to May 1988.

400: CASUAL DINING

VARIATIONS ON A THEME

The restaurants are diverse, but the customers like the same things: spicy food, fresh fish, dessert.

Casual dining is one of the most diverse segments in the "400": It includes Bennigan's, with almost $450 million in sales; and Consolidated Specialty Restaurants, operator of Carlos Sweeney's and others, at $22.6 million. It includes companies that operate a multitude of concepts (such as Specialty Restaurants Corp. and Big 4 Restaurants) and companies that operate just one: the Hard Rock Cafe, Cracker Barrel and Houston's, to name a few.

The diversity in this segment also is evident when it comes to the way menus are planned. At Restaurants Unlimited, new recipes are developed at the corporate level and made available to each restaurant. At The Levy Restaurants, recipes are developed at the unit level, but individual chefs often work with a recipe team that includes a corporate *chef de cuisine.* At the Hard Rock Cafe, menus are standard save for a few regional variations: Some cities get the fresh ahi tuna sandwich while others get the Pulled Pig.

Despite their differences, however, restaurants in the casual-dining segment often have similar experiences when it comes to what their customers want to eat. What's hot this year? Roasted and grilled dishes are popular, and wood-burning ovens are definitely *de rigueur.* Fresh grilled fish—the more exotic the better—is hot, as is Italian food of all types. The Cajun craze seems to have abated, but many operators are still having success with dishes such as jambalaya and Cajun prime rib.

Chicken entrees continue to increase in popularity. Lime Grilled Chicken is now the best-selling menu item at the Hard Rock Cafe, which earned its reputation with large, gourmet hamburgers. And while beef still accounts for 37% of sales at Ground Round, the company is coming on strong with a number of new chicken entrees.

"Southern" and "country" and "country-style" are all magic when it comes to menus; so are Southwestern and Tex-Mex. But when they're hankering for Mexican food, customers in this segment seem to want the basics: nachos, burritos, fajitas and chimichangas. More unusual items traditionally don't sell well.

Two of Bennigan's new country-style dishes

BENNIGAN'S **$449MM**

Bennigan's has added many new entrees to menus over the past eight months. Among them: the Southwestern Chicken Salad ($5.95), Shrimp Marinara with Linguine ($7.75), Chicken Cacciatore over Linguine ($6.95), Manicotti ($6.25), Scallops Milano (in Alfredo sauce over linguine—$8.25), fried scallops ($7.75) and a 6- to 8-ounce Cajun prime rib ($8.95). Bennigan's continues to sell a lot of Shrimp Creole, Shrimp Etoufée and Jambalaya.

Bennigan's also recently added three country-style dishes to its menus: catfish fingers ($6.75), country-fried steak ($6.45) and country-fried chicken ($6.45).

Overall, Mexican items—chicken burrito, chimichanga, enchilada—sell well at Bennigan's, although they sell best in the Southwest.

GROUND ROUND **$181.5MM**

While beef items currently account for 37% of sales, and burgers are Ground Round's hottest-selling items, chicken is coming on strong at this Massachusetts-based chain. In 1987, Ground Round added a charbroiled chicken breast with barbecue sauce served as a sandwich ($3.85) or a dinner entree ($5.95 to $6.25).

Ground Round has also stepped up its seafood selections, adding fried clam strips ($2.25 as an appetizer, $5.95 as an entree) and a fried combination platter: clam strips, fillet of flounder and shrimp. Called Hook, Line and Sinker, the platter sells for approximately $6.95. Currently in test are a baked fillet of cod (wrapped around broccoli and cheese) and a broiled cod fillet with lemon butter.

Ground Round has also implemented a new dessert program that includes ice cream pies and mud pie. The company is now testing two new summertime desserts: Orange Freeze Pie (orange sherbet and vanilla ice cream in a cookie crust) and Mint Chocolate Chunk Pie (mint chocolate chip and vanilla ice cream and fudge sauce).

Ground Round recently reworked its Mexican menu insert, eliminating the less successful items from menus in company-owned stores. Nachos, a taco salad, burritos and chimichangas made the cut; Mexican whitefish, Mexican chicken and Mexican steak are history.

BOBBY McGEE'S **$56MM****

The best-selling menu item here is still prime rib, served Cajun-style or Dallas-style (grilled with sautéed vegetables). Prices range from $8.95 to $15.50. Another big seller is Mahi-Mahi Macadamia ($9.50 in most markets).

Bobby McGee's unveiled a new menu in the spring, and all units were using it by late June. The menu includes a $13.95 seafood platter (fried scallops, fried shrimp, clam strips, fried oysters and orange roughy), Pesto Fettucine ($8.95), and Pescadore Meuniere (fresh catch of the day, grilled and served in puff pastry on steamed spinach with bay shrimp and meunière sauce; market price).

Ground Round promotes combination plates.

LEADING CASUAL-DINING COMPANIES

1 BENNIGAN'S
S&A Restaurant Corp.
The Pillsbury Co. (3)
Sales: $449 Units: 212

2 CHILI'S INC. (79)
Sales: $253 Units: 146**

3 HOULIHAN'S
Restaurant Enterprises Group (12)
Sales: $148 Units: 54

4 GROUND ROUND (103)
Sales: $181.5 Units: 191

5 SPECIALTY RESTAURANTS CORP. (106)
Sales: 178 Units: 73**

6 BROWN DERBY (122)
Sales: $148 Units: 50

7 TGI FRIDAY'S
Carlson Cos. (31)
Sales: $1[illegible]3 Units: 128

8 CHART HOUSE
CHF[illegible] (156)
Sales: $111.1* Units: 63

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400: CASUAL DINING

At Levy's upscale Spiaggia, customers love duck sausage pizza with sage and goat cheese.

LEADING CASUAL-DINING COMPANIES

9 **CRACKER BARREL OLD COUNTRY STORES (193)**
Sales: $83 Units: 53

10 **BENIHANA OF TOKYO (193)**
Sales: $79.6 Units: 48

11 **LETTUCE ENTERTAIN YOU (198)**
Sales: $64 Units: 58

12 **MAGIC PAN (236)**
Sales: $58 Units: 16**

13 **HOUSTON'S RESTAURANTS (251)**
Sales: $78.5 Units: 31

14 **LIFESTYLE RESTAURANTS (253)**
Sales: $57 Units: 49

15 **BOBBY McGEE'S USA INC. (259)**
Sales: $56 Units: 20**

16 **PRUFROCK RESTAURANTS INC.**
Unigate Restaurants (128)
Sales: $56 Units: 54**

17 **VELVET TURTLE**
American Restaurant Group (40)
Sales: $53MM* Units: 21

18 **THE LEVY RESTAURANTS (263)**
Sales: $55 Units: 30

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In March, Bobby McGee's rolled out a new lunch menu. Two popular items on it are the Straw Sandwich—pastrami with sauerkraut on grilled Russian rye with Thousand Island dressing, Swiss cheese and homemade Cajun potato chips—and the Mandarin Orange Chicken Salad, served with fried rice noodles and sesame dressing.

BENIHANA OF TOKYO $79.6MM

A chicken and shrimp combo called The Benihana Delight ($18) was added to the menu in 1987 and is currently one of the chain's hottest-selling items. Other items added in 1987 were Hibachi Salmon and Hibachi Swordfish. New side dishes include New Zealand Green Mussels and Seafood Tempura.

Benihana plans to add a $20 steak and prawn dish called Splash & Meadow in 1988 and is currently testing double portions of steak.

PRUFROCK RESTAURANTS INC. $56MM**

Prufrock's two concepts, The Black-eyed Pea and The Dixie House, are similar in that both specialize in home-style cooking.

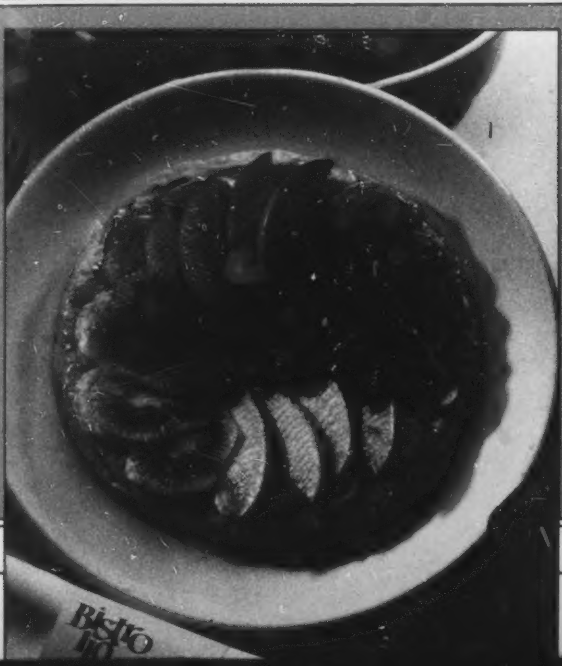
At the five Dixie House units, the best-selling menu item remains chicken-fried steak, priced at $5.50. In 1987 the company added chicken fingers and a variety of chicken specials such as chicken and dumplings, Chicken Divan and Chicken Pot Pie. In 1988, there will be new specials, and more of them.

Chicken-fried steak ($5.25) is the best-selling item at the 51 Black-eyed Pea units as well. But the company is at work adding gas-fueled charbroilers to every unit, and new charbroiled items such as a Grilled Chicken Salad ($5.25) and a Charbroiled Chopped Steak ($5.75). Special items—such as a halibut steak—will also be cooked on the grill.

After a successful test, Black-eyed Pea is also adding chicken fingers ($3.75) in all units. A $3.50 Bacon Cheeseburger will be added to all units by the end of the year.

THE LEVY RESTAURANTS $55MM

The Levy's newest restaurant, Eurasia, opened June 9. Two appetizers on the restaurant's opening menu are gingered *foie gras* with grilled pineapple, and crispy Japanese eggplant and asparagus. Entrees include wok-charred swordfish and tuna; Eurasian duck with scallion rice pancakes; and a toasted pasta pie with grilled shrimp. Desserts



A fresh fruit tart at The Levy Restaurants' Bistro 110 in Chicago. In the casual-dining segment, desserts seem to be as popular as ever. Key Lime Pie, ice cream, gelato, sorbet and mousse are all big summertime sellers.

400: CASUAL DINING

The Hard Rock is known for burgers, but Lime Grilled Chicken is the best-selling entree.

LEADING CASUAL-DINING COMPANIES

19 PALM MANAGEMENT (275)
Sales: $51.2 Units: 11

20 RED ONION
International Onion (286)
Sales: $48 Units: 13

21 TRADER VIC'S (301)
Sales: $45.1* Units: 20

22 BIG 4 RESTAURANTS INC. (397)
Sales: $30 Units: 11**

23 BOMBAY BICYCLE CLUB
Associated Hosts Inc. (219)
Sales: $56.8MM* Units: 43*

24 HARD ROCK CAFE (300)
Sales: $45.2 Units: 6

25 RESTAURANTS UNLIMITED (195)
Sales: $45MM* Units: 18

26 SKYLINE CHILI (356)
Sales: $35 Units: 70**

27 SPENCECLIFF CORP. (364)
Sales: $34 Units: 24**

28 CONSOLIDATED SPECIALTY RESTAURANTS INC.
Consolidated Products Inc. (169)
Sales: $22.6 Units: 16

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include a cashew coconut tart and chocolate Chinese noodles in cinnamon cream.

At the Levy's Bistro 110, the best-selling items are the oven-roasted half chicken, the oven-roasted whole fish of the day and the veal chops. And, says Levy's Pam Friend, the onion soup sells "like wildfire." A popular dessert is Chocolate Paradis: a dense chocolate cake with chocolate mousse, caramel and toffee. New chef Rene Bajeux came on board June 1 and at press time was planning some menu changes.

At Spiaggia, the Levy's upscale Italian restaurant, customers love the grilled sliced sirloin served rare with rosemary, black pepper, olive oil and lemon; and rack and loin of lamb with roasted garlic, rosemary, green peppers and a risotto cake. Pastas also sell well at Spiaggia—peppardele herb pasta with quail and morel mushrooms is one popular dish.

HARD ROCK CAFE $45.2MM

At Peter Morton's successful concept, the basic menu fare remains burgers, ribs, fish and salads, but the Lime Grilled Chicken ($8.95) is still the hottest-selling menu item.

With a few exceptions, all Hard Rock menu items are available systemwide. Fajitas ($8.95) were recently added in the Houston unit, Shark Bites (deep-fried shark nuggets served with dipping sauce) are being tested in Honolulu ($3.95), and menus in Los Angeles, San Francisco and Honolulu include a fresh ahi sandwich on a whole wheat bun ($6.95).

Ruth's Spicy Chicken Wings, breaded with Japanese crumbs and spices ($3.95), is a new Hard Rock appetizer. Another new item is a vegetarian sandwich called the Hard Rock Natural, served with french fries for $4.95. A new $4.95 soup and sandwich combo is selling well.

RESTAURANTS UNLIMITED $45MM*

Grilled fish is RU's hottest menu item right now, and king salmon grilled over charcoal is a particular customer favorite.

Among the dishes the company has added recently are smoked chicken ravioli with ginger cream sauce; Thai crispy ocean perch; red pepper linguine with chargrilled leeks and prosciutto, vermicelli and *pancetta*; Bayou Black Bean Soup with lime cream, and Chicken Sa-teh with Thai peanut dip.

—Julie Mautner

The Chicago restaurant Hat Dance is Lettuce Entertain You's newest. Customers wait up to two hours to taste Mexican dishes such as grilled shrimp Mojo de ajo with orange-tomato salsa (l.).

400: FAMILY DINING

HOME AWAY FROM HOME

Family dining says "come hither" with homey foods for the comfort-crazed and light dishes for the health-minded.

Operators in the family dining segment cannot be blamed for last year's flat sales. Most were in their shirt-sleeves knuckling down to the nitty-gritty task of competing for customers with every foodservice segment from chains to fast food to independents. In 1987, competitive strategies included a renewed dinner emphasis, revamped breakfasts, more fresh and light dishes and a big focus on value with homey, reasonably priced, old-fashioned foods.

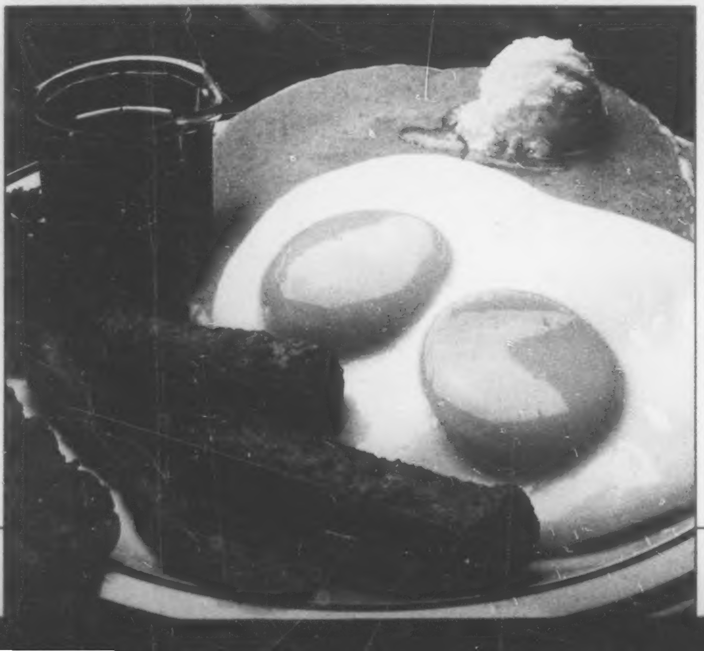
Bob Evans launched its "Just a Few Smiles from Home" campaign, bringing customers in to sample meat loaf, chicken and noodles, and beef stew. Country Kitchens and PoFolks went into test with pot roast, and Perkins brought out a magnificent menu celebrating the most comforting "meal" of all: dessert, following the lead of major franchisee Perk Development Corp.

PoFolks filled in menu gaps with grilled foods, offering them as an alternative to fried entrees, while Bill Knapp's rolled out a multitude of chicken dishes and took nearly as many pasta plates into test.

Denny's "freshened and lightened" its menu with several lighter foods interspersed throughout, including a chicken sandwich that sold well. The company also tested ethnic and regional-American extensions to its popular Grand Slam breakfast. International House of Pancakes broadened breakfast in some regions with a Taco Conquistador omelet and announced plans to add four chicken sandwiches systemwide this year. IHOP also announced plans to strengthen its "three-meal occasion positioning" by pumping out two 1988 dinner promotions: the Split Decision dinner and Deep Sea Dinner Deal.

Wag's and Bill Knapp's promoted stir-fried vegetable dishes. Friendly Ice Cream improved its dinner image with its first attempt at complete dinner packages, offering soup, salad, entree and dessert. With an eye on increasing competition from fast-food restaurants, Friendly also launched its Express Lunch program, and Wag's and Denny's built better burgers, underscoring America's return to beef.

Denny's is testing variations on its Grand Slam breakfast theme.



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400: FAMILY DINING

Family dining restaurants filled menu gaps by adding broiled and low-calorie entrees.

LEADING FAMILY DINING COMPANIES

1 DENNY'S RESTAURANTS (13)
Sales: $1,485.4MM Units: 2,072

2 BIG BOY FAMILY RESTAURANTS
Marriott Corp (4)
Sales: $1,096.8* Units: 914

3 SHONEY'S
Shoney's Inc. (17)
Sales: $718.6MM Units: 614

4 FRIENDLY ICE CREAM (36)
Sales: $572.4MM Units: 614

5 VILLAGE INN, BAKERS SQUARE
Vicorp Restaurants Inc. (50)
Sales: $381.6MM Units: 410

6 PERKINS FAMILY RESTAURANTS (53)
Sales: $343.7MM Units: 334

7 WALT DISNEY CO. (55)
Sales: $336 Units: 182

8 INTERNATIONAL HOUSE OF PANCAKES (64)
Sales: $297.5 Units: 454

9 WAFFLE HOUSE INC. (85)
Sales: $230.6* Units: 610*

10 MARIE CALLENDER PIE SHOPS
Ramada Inns Inc. (33)
Sales: $225MM* Units: 135*

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DENNY'S $1,485.4MM

Denny's updated its menu, adding lighter lunch and dinner products, revising burger offerings and expanding the popular Grand Slam breakfast.

Denny's revised its burger program to keep up with changing tastes. "One of the most basic things that is expected from a full-service, full-menu family restaurant is a good hamburger," says Henderson. "We needed to contemporize ours."

Denny's is also testing ethnic and regional American product extensions for its Grand Slam breakfast, which traditionally includes two pancakes, two eggs, two sausages and two slices of bacon. The $2.99 promotion features French, English and Southern Grand Slams. The French version comes with French toast instead of pancakes. The English has English muffins and the Southern, biscuits and sausage gravy.

FRIENDLY ICE CREAM $572.4MM

Friendly expanded its Express Lunch program systemwide in 1987. The chain guarantees that any meal ordered from a list of nine express lunches will arrive in five minutes or less. If a meal is late, the customer gets a coupon for a free 4-ounce sundae, redeemable any time. Express lunches—offered Monday through Friday, 11:30 a.m. to 1 p.m.—include chicken, seafood and tuna salad pockets, soup and salad combo, three salad platters and three sandwiches.

For the remainder of the year, Friendly will concentrate on expanding its dinner program to include several-course dinners available after 4 p.m.

PERKINS FAMILY RESTAURANTS $343.7MM

Perkins' menu highlights in 1987 mirror those of major franchisee Perk Development Corp. Perk's melt sandwiches and new dessert menu contributed so much to sales that franchisor Perkins picked up both new items.

A new tri-fold dessert menu with a cover photo of the restaurant's sumptuous croissant sundae was introduced last August and became part of the Perkins national menu this year, says Michael Cannon, vice president of purchasing and marketing for Perk Development Corp. "Our goal was to increase dessert sales 50%," says Cannon.

The menu helped Perk exceed even that lofty goal. Dessert sales went from $20,000 a month to $65,000 a month. "The menu allowed us to sell higher-ticket desserts," says Cannon. "Pie and sundaes are still the leading dessert sellers, but higher-ticket desserts like

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Perkins
Just Desserts

400: FAMILY DINING

LEADING FAMILY DINING COMPANIES

11 BOB EVANS (87)
Sales: $220MM Units: 196

12 POFOLKS (104)
Sales: $180MM Units: 164

13 COUNTRY KITCHEN INTERNATIONAL
Carlson Cos. Inc. (31)
Sales: $169.2MM Units: 252

14 KETTLE RESTAURANTS INC. (148)
Sales: $120MM Units: 207

15 WAG'S
Walgreen Co. Food Division (151)
Sales: $119.3MM Units: 120

16 JB'S RESTAURANTS INC. (161)
Sales: $105.5MM Units: 110

17 LYON'S RESTAURANTS INC. (177)
Sales: $92MM Units: 63**

18 SWENSEN'S (191)
Sales: $84.4MM* Units: 356*

19 BILL KNAPP'S MICHIGAN INC. (197)
Sales: $78.5* Units: 67

20 ELBY'S RESTAURANTS INC. (205)
Sales: $77MM Units: 72

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Home favorites such as pot roast, meat loaf and mashed potatoes were reintroduced.

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the croissant sundaes are selling, too."

Perkins says the 1987 melt sandwich campaign was its most successful product introduction. Since the product launch, melt sandwiches have grown to represent the highest sales profile within Perkins' sales mix. Melt sandwiches represent 10% of total food sales.

BOB EVANS $220MM

Bob Evans says its 1987 strategy of homey, reasonably priced dinners has proven to be right on target. The chain hoped to raise total dinner sales by 10% as a result of adding five midpriced dinners to menus at two Midwest test stores. The company reached the target and subsequently expanded the items systemwide in February. An advertising campaign launched in March, "Just a Few Smiles from Home," helped Bob Evans exceed the 10% dinner sales increase systemwide.

POFOLKS $180MM

In-store merchandising for PoFolks' Mason-Dixon meat loaf says the product has "a taste worth heading South for." The chain focused on homey midpriced dinners in 1987 and will continue to do so this year.

PoFolks says it "filled gaps" in its menu last year by introducing non-fried items: rib-eye steak, broiled flounder and grilled chicken breast. "Once we had our weaknesses fixed (lack of non-fried alternatives), we moved on with our strategy of hearty, home-style cooking," says Director of Marketing Mike McNeil.

Mason-Dixon meat loaf was tested in Nashville, Tenn., and 12 other markets. Pot roast is in development.

PoFolks also added breakfast in 60 restaurants and will expand the daypart on a restaurant-by-restaurant basis, depending on demographics.

COUNTRY KITCHENS $169.2MM

Country Kitchens is sticking with the down-home, old-fashioned theme that helped the chain sell 50 million servings of Calico Bean soup. One of last year's most successful promotions was country-fried steak. The promotion "took an old favorite menu standard,

continued on page 148

Bob Evan's midpriced, homey meals are right on the money.

400: FAMILY DINING

Operators revised burgers and improved dinners to draw customers away from other segments.

LEADING FAMILY DINING COMPANIES

21 EAT' N PARK RESTAURANTS INC. (244)
Sales: $61MM Units: 46

22 HUDDLE HOUSE INC. (305)
Sales: $44.7MM Units: 130

23 TRUCKSTOPS OF AMERICA
Standard Oil (318)
Sales: $40.5MM Units: 36

24 JERRY'S RESTAURANTS
Jerrico Inc. (25)
Sales: $40.3MM Units: 57

25 ELMER'S PANCAKE & STEAK HOUSE INC. (337)
Sales: $38MM Units: 31

26 SHARI'S MANAGEMENT CORP. (355)
Sales: $35MM Units: 37**

27 SPIRE'S RESTAURANTS (365)
Sales: $34MM Units: 26

28 CLOCK RESTAURANTS (371)
Sales: $33MM Units: 43

29 HAPPY CHEF SYSTEMS INC. (375)
Sales: $32.5MM Units: 52

30 VIE DE FRANCE (398)
Sales: $30MM Units: 57

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continued from page 144

country-fried steak, and played it up in a flashy ad," according to Allan Post, senior vice president of marketing.

Even farther down the road, Country Kitchens has a Country Classics campaign on the drawing boards that will tentatively feature hot, old-fashioned suppers on sizzling platters with lots of vegetables served family-style.

WAG'S $119.3MM

One of Wag's most successful television ad campaigns for 1987 featured Asian-Americans eating Oriental food at Wag's. The tag line: "An American restaurant is a great place to come for Oriental stir-fry."

The company introduced chicken and beef stir-fry last year and added shrimp later. In addition, Wag's revised all of its salads, upgraded its dessert programs and began testing charbroiling. As part of that program, Wag's introduced a midpriced USDA choice steak and teriyaki chicken breast. Broiled halibut was tested but dropped. Like Denny's, Wag's revised its hamburger. The new version weighs a third of a pound and is served on a fresh-baked bun.

BILL KNAPP'S $78.5MM*

Bill Knapp's tested chicken dishes galore last year to gear up for April's new menu introduction—the first major menu revision Knapp's has attempted in three years. Company spokeswoman Linda Bruce says the changes were made to lighten and update Bill Knapp's food offerings.

Bill Knapp's also added more fresh broiled fish to the menu. Two to three fresh fish varieties are featured as the lunch catch of the day; three to four varieties are available at dinner. Stir-fry also made its debut in several forms, and the chain brought back a popular three-cheese supreme sauceless pizza. Two pasta dishes rolled out in April.

—Monica Kass

Hot Stuffers did so well, Country Kitchens launched Cool Stuffers.

400: CAFETERIAS

OVER THE COUNTER

Cafeterias of the '80s give patrons a takeout option and stock the serving line with fresh fare.

Cafeterias have always been the industry's best-value segment. With new food offerings and updated decors, the restaurants have come a long way since salisbury-steak-and-green-gelatin days.

Morrison's, for instance, puts top priority on decor. In 1987, 30 of the chain's 310 restaurants were remodeled, and another 30 are scheduled for face lifts this year. Brass and wood have replaced stainless steel on serving lines; new chandeliers and carpeting dress up dining areas.

Like the rest of the restaurant industry, fish and chicken selections are becoming more prevalent on cafeteria menus. Broiled, not fried, foods appeal to customers. S&S, for instance, has introduced "Lean and Green," broiled salmon served with a salad. Chicken teriyaki is another popular menu addition at cafeterias, as are ethnic and regional specialties. A few companies offer low-cholesterol and low-sodium entrees, as well as smaller entrees.

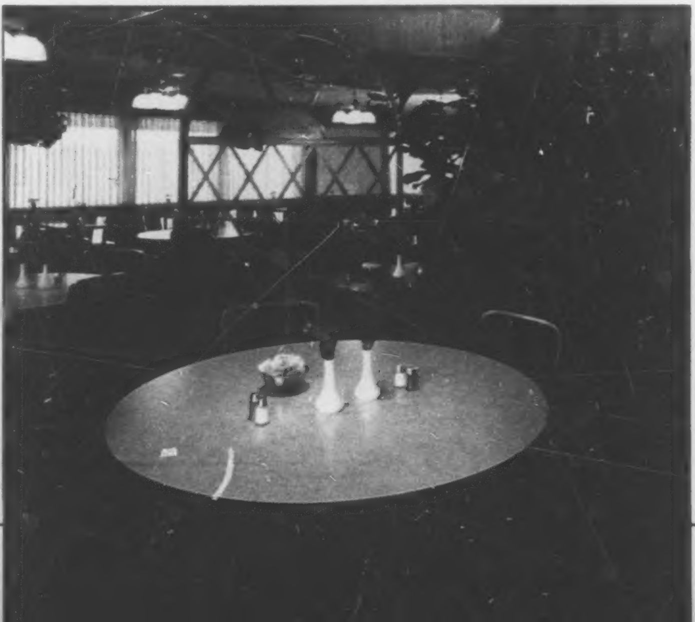
Menu selection is diverse enough to include something for everyone. The opportunity to control portion sizes and the price/value factor appeal to all ages, especially the elderly.

More cafeterias are offering customers the takeout option. Luby's offers takeout service at all 103 restaurants. S&S operates five Take Out Shoppes, each one separate from the cafeteria. Each new S&S restaurant will house a Take Out Shoppe, which offers 99% of the cafeteria's menu.

Morrison's takeout counter offers one-third of the menu items. One counter in the system grossed $300,000 in takeout sales last year; another is expected to take in $1 million.

Trendier menus and updated decors will prove especially important as cafeterias attempt to move into more sophisticated markets. Traditionally entrenched in the South and Southwest, a few companies are attempting to break into new territory. Piccadilly, for instance, has opened a unit in California and plans to open more in the next 12 months. Other companies are awaiting the outcome. Even more important, success will depend on how well the segment introduces the "new" cafeteria to the public.

Luby's Cafeterias is undergoing an image change.



400: CAFETERIAS

LEADING CAFETERIA COMPANIES

1 MORRISON CAFETERIAS
Morrison Inc. (22)
Sales: $310MM Units: 162

2 FURR'S CAFETERIAS AND BISHOP'S BUFFETS (77)
Sales: $256.2MM Units: 152

3 LUBY'S CAFETERIAS INC. (83)
Sales: $232.9MM Units: 103

4 PICCADILLY CAFETERIAS INC. (89)
Sales: $217MM Units: 116

5 WYATT CAFETERIAS INC. (98)
Sales: $189MM Units: 119

6 INTERNATIONAL KING'S TABLE INC. (180)
Sales: $90MM Units: 90

7 BUFFETS INC. (249)
Sales: $58.3MM Units: 36

8 K&W CAFETERIAS INC. (295)
Sales: $46MM Units: 20**

9 S&S CAFETERIAS
Smith and Sons Foods Inc. (304)
Sales $44.7MM: Units: 20

10 MCL CAFETERIAS (309)
Sales: $44MM Units: 27

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Chains go for lighter, brighter decors as they push into new geographic markets.

MORRISON INC. $310MM

Serve-yourself buffets (one price for all you can eat), sundae bars and deviled crab are on Morrison's drawing boards. The company's best sellers are grilled chicken, chopped steak and fresh vegetables. The grilled chicken is prepared in view of the customer.

The chain promoted package deals last year to point out the good-value aspect of cafeterias. For one price, customers chose between an entree, vegetable and potato—for instance, fried shrimp, vegetables and hush puppies.

The chain will continue to open about 12 units a year and hopes to expand outside the Sun Belt. Sadie's Buffet, a serve-yourself concept, is also slated for expansion.

LUBY'S CAFETERIAS $232.9MM

At Luby's, the emphasis on fresh extends from the kitchen to the serving line. Hot breads, sweet rolls, cakes and pies are replenished on the line throughout the day. Fried fish and okra are hand-breaded. The chain makes its own mayonnaise, salad dressings and gravies.

For people on the go, Luby's offers a takeout menu at all locations. The newest cafeteria in Houston even has staff and counter space dedicated exclusively to providing takeout.

PICCADILLY CAFETERIAS $217.5MM

Currently, five units are open for breakfast. The daypart is producing 10% incremental sales gains at each restaurant; operating margins are comparable to Piccadilly's lunch and dinner business, with little or no additional investment required.

Piccadilly offers a daily "Dilly" special that allows customers to order half an entree with small servings of vegetables. The Dilly costs $3.30. Piccadilly's average check is about $4.34.

The company recently opened its first cafeteria in California. Several additional California openings are planned during the next 12 months.

S&S CAFETERIAS $44.7MM

Smith & Sons is giving its restaurants a new look. The decor, which features lots of window and clear, clean colors, can best be described as "Cool Southern Style."

The newest cafeteria, opened March 7 in Daytona Beach, Fla., sports the new image and offers a complete breakfast—eggs, pancakes and french toast prepared on the line. The unit also features a Take Out Shoppe.

New menu items include chicken teriyaki, the Lean and Green salmon/salad plate, and broiled and leaner cuts of meat. ***—Kathleen Marshall***

OFF THE SHELF

Convenience stores and department stores are focusing unprecedented amounts of energy on foodservice.

Retail store operators no longer want foodservice to be considered an afterthought. By adding to menus and promoting new dayparts, convenience stores hope to lure customers in for a meal or a snack—and to pick up a few groceries while they are in the store.

These goals, however, may take some time to reach. Retail operators, such as supermarkets and department stores, for instance, are offering full-service and quick-service restaurants as well as self-serve food bars. For example, the space now occupied by Dayton Hudson's Sky Room has seen a 60% sales increase since its conversion from a sit-down restaurant to a quick-service concept. Takeout accounts for more sales than those from the sit-down locations.

Some retail feeders are testing the waters with fast-food companies. McCrory Stores, headquartered in York, Pa., is talking with nationally and regionally known fast-food chains about franchise opportunities.

C-stores also have been experimenting with fast-food chains. Circle K Corp. has been working with Dunkin' Donuts, as has 7-Eleven. Joint-venture tests also have been conducted with Hardee's, Winchell's Donuts and Church's Fried Chicken.

Setting their sites for growth, the venture of Church's and 7-Eleven stores was not about dividing dollars but about the fact that there are convenience stores in a market already saturated with fast-food units.

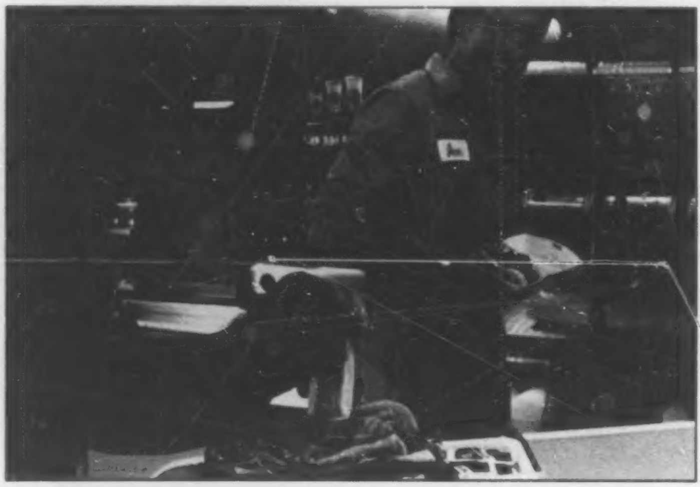
Retailers across the board sometimes have trouble justifying space for foodservice. With their primary source of income stemming from the sale of retail items, foodservice space is usually limited.

Convenient Food Marts, Rosemont, Ill., requires ovens for its 10-store test of a fresh muffin program. The muffins are made from frozen dough that is baked on-premises.

The Works at 7-Eleven stores is the marriage of two concepts: a fast-food restaurant prototype and a self-service condiment bar with 16 different toppings for hamburgers and hot dogs.

Driver-Guide, computerized directions-vending device is new for 7-Eleven.

7-Eleven's deli sandwiches anchor its foodservice program.



400: RETAIL/C-STORES

LEADING CONVENIENCE-STORE COMPANIES

1 7-ELEVEN
The Southland Corp. (23)
Sales: 828.8* Units: 7,000**

2 CIRCLE K CORP. (97)
Sales: 190 Units: 3,600**

3 CONVENIENT FOOD MARTS (215)
Sales: 72.5* Units: 1,310

LEADING RETAIL COMPANIES

1 CARSON PIRIE SCOTT & CO. (44)
Sales: 463.2* Units: 281*

2 K MART CORP. (70)
Sales: 274.5* Units: 1,559

3 F.W. WOOLWORTH CO. (99)
Sales: 187* Units: 1,050*

4 DAYTON HUDSON DEPARTMENT STORE CO. (199)
Sales: 78 Units: 339**

5 MAY DEPARTMENT STORES (231)
Sales: 65.8* Units: 394**

6 McCRORY STORES (274)
Sales: 52 Units: 327**

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C-stores are adding breakfast, while retailers are experimenting with takeout options.

7-ELEVEN $828.8MM*

It was a busy year for Southland Corp., 7-Eleven's parent company. The company's founders staged a leveraged buyout and have since been selling various divisions of the firm as well as hundreds of convenience store outlets—most of which were bought by other c-store operators—to pay off debt. The aim, of course, is to turn full attention to running the country's biggest chain of convenience stores.

The chain is also one of the most innovative in c-store foodservice. 7-Eleven pioneered fresh-made deli-style sandwiches in its segment: 57% of its stores now serve sandwiches, which are complemented with self-serve condiment bars. About 85% of the stores offer hot dogs and nachos. Burgers, assorted hot sandwiches and pastries are sold at 37% of the company's stores. Soup-to-go and pizza also are available at selected stores. Last year, sandwiches accounted for 8.4% of sales at 7-Eleven stores, soft drinks, 10.7%, and baked goods, 3.3%.

The sale of stores resulted in the demise of the chain's presence in Alabama, Arkansas, Georgia, Louisiana and South Carolina. Despite the loss of those markets, chain executives say the company is poised for growth. Most of the stores are located on the best sites in town.

CIRCLE K CORP. $190MM**

Although its foodservice sales are only about one-quarter those of 7-Eleven's, Phoenix, Ariz.-based Circle K is quickly gaining on the c-store giant. The company purchased 473 outlets from 7-Eleven earlier this year.

Circle K continues its joint venture with Dunkin' Donuts. More than 400 units are involved. The Thirst Buster Fountain drink continues to be a successful promotion. Future menu considerations are roast beef and Cheddar cheese sandwiches.

DAYTON HUDSON $78MM**

Dayton Hudson's approach to foodservice calls for combining activities with food for a visible point of difference. This attitude may be the reason the company saw a 20% jump in foodservice sales last year.

At Dayton, foodservice is always on the pulse of what is happening in the total marketplace. The company has incorporated trendy quick-service and self-service concepts as well as menus with a healthful slant.

The Sky Room comprises six quick-service concepts in what used to be a sit-down restaurant. Each concept is self-sufficient. There is no wait staff. A musician plays a grand piano, lending an air of elegance and helping hurried shoppers slow down and relax. Sales in the space have jumped 60% since the conversion.

Dayton's sit-down restaurants list calorie counts for selected menu items, an idea very popular with customers. Also on the menu are quick-service items and a guarantee that the patron will be out of the restaurant in 20 minutes. Everything is made to order.

CONVENIENT FOOD MARTS $72.5MM*

This company expands its offerings according to customer demand. Ten stores are testing fresh-baked muffins, using frozen dough delivered to the unit and baked on-premises.

Once units are equipped with convection ovens, foodservice options will increase. Other foods under consideration include hot pocket sandwiches, cheese-coated bread sticks and pizza. Another current menu item is the Deli Supreme Sandwich line, which features five types of submarine sandwiches.

McCRORY STORES $52MM**

Neon signs and colorful menu boards bring the customer's eye to the menu selections of JJ's, a quick-serve/self-serve unit. A hot and cold food bar with home-style soup and Mexican foods make up part of the menu.

Hot dogs with a hot and cold fixings bar, pizza (pepperoni, supreme and cheese varieties), stromboli, ice cream, beverages and hot pretzels round out the menu.

At high-traffic locations, McCrory is looking into becoming a franchisee of a well-known fast-food chain.

—Kathleen Marshall

400: HOTEL DINING

MAKING ROOM FOR RESTAURANTS

Whether guests want a five-course meal or a sandwich from a takeout counter, hotels aim to please.

Increasingly, hotels are tailoring food-and-beverage operations to the markets they want to attract and bring back for repeat visits. Rodeway, for example, weaves food and beverage into travel plans for distinct groups: business travelers, vacationers, senior citizens, and government or military employees.

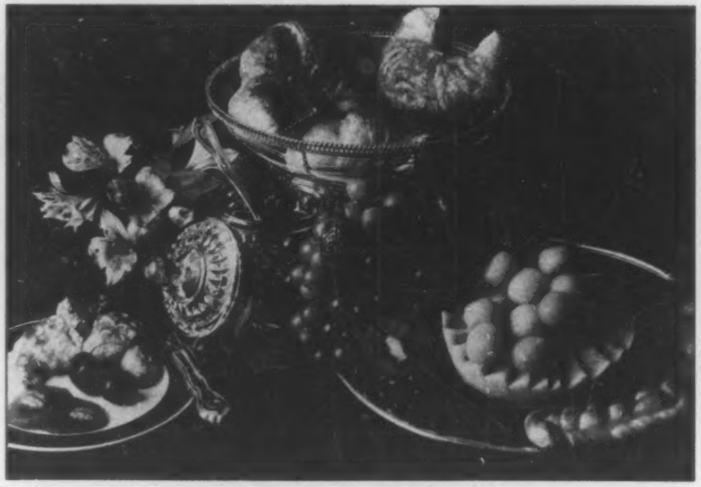
Interstate Hotels Corp., a Marriott franchisee, tried several flashy promotions designed to lure families into its restaurants, but these budget-minded customers continued to head elsewhere for meals. What worked for this market was a moderately priced prime-rib buffet with a salad bar and two alternative hot entrees. The buffet increased the average check by 13%, from $11.50 to $13.

To serve first-class business travelers, Hilton and Sheraton have set aside floors or towers as "hotels within hotels." Amenities can include a butler who will unpack customers' clothes, arrange for a limousine and awaken them with coffee or tea.

Many hotels are finding that local office workers and residents will flock to takeout counters and informal cafes. Chicago Hilton and Towers' Fast Lane Deli has an express lane for hungry visitors short of time. In other cases, convenience stores, self-cashiering by servers, 24-hour room service, and in-room drink and snack bars please customers on the run.

Even the all-suites and economy hotels are responding to guest demands for convenient food-and-beverage service. Rodeway tries to locate new hotels near full-service restaurants, and its new design includes a multipurpose space that is used as a breakfast bar, atrium and conference room.

There's still a market for Sheraton's elegant display.



In making up their menus, too, hotel restaurants are guided by the tastes of their clienteles. One hotel switches its emphasis from red meat to seafood, while another brags about its new 42-ounce porterhouse steak.

Hotel restaurants are still gravitating to American cooking, and often their dishes are specific to the locale. The chef at the Holiday Inn-JFK has created Long Island specialties such as Bay Scallops a la Peconic to go with Long Island wines

400: HOTEL DINING

LEADING HOTEL COMPANIES

1 THE SHERATON CORP. (15)
Sales: $1,391.2MM Units: 1,555

2 HOLIDAY CORP. (16)
Sales: $1,386MM* Units: 1,917*

3 HILTON HOTELS CORP. (21)
Sales: $970MM Units: 1,185

4 HYATT HOTELS CORP. (29)
Sales: $726.4MM* Units: 390**

5 MARRIOTT HOTELS & RESORTS
Marriott Corp. (4)
Sales: $722.2MM* Units: 534*

6 RAMADA INNS (33)
Sales: $657.2MM* Units: 802

7 INTER-CONTINENTAL HOTELS CORP. (41)
Sales: $490MM* Units: 300*

8 QUALITY INNS INTERNATIONAL
Manor Care Inc. (48)
Sales: $336MM Units: 778*

9 BALLY MANUFACTURING (113)
Sales: $164.2MM* Units: 29*

10 HYATT INTERNATIONAL (116)
Sales: $160MM Units: 200**

11 RADISSON HOTELS CORP.
Carlson Cos. (31)
Sales: $158MM Units: 316**

12 STOUFFER HOTELS
Nestle Enterprises Inc. (78)
Sales: $155.5MM Units: 108

13 CAESAR'S WORLD INC. (136)
Sales: $130MM Units: 34

14 RED LION (139)
Sales: $128.5MM Units: 113

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Weekend packages and fantasy resorts make food part of a total experience.

for an "I Love New York Spring Wine Festival."

Nutrition-packed menus are another enduring interest of hotel restaurants. Ritz-Carlton and Doubletree added menu items approved by the American Heart Association, while Sonesta's new hotel on the West Coast of Florida will devote an entire restaurant to spa cuisine.

THE SHERATON CORP. $1,391.2MM

Proclaiming itself as "leader of the second generation of all-suites," Sheraton has incorporated a flexible lounge/restaurant area and convenience store into four alternative designs. Microwaves and coffee makers have become standard room equipment in these properties.

Noting a trend toward short, frequent vacations, Sheraton introduced its "Breakations" in non-resort properties; for as little as $219, guests get two nights in a suite, champagne upon arrival, a continental breakfast on Saturday and Sunday brunch. Sheraton's summer family program lets two children per family sleep free, plus feeds them a hearty breakfast.

Workshops on the art of sushi-making and the Japanese tea ceremony will be available in a new hotel adjacent to Tokyo Disneyland Park. Sheraton will also introduce theme parties to Japan: Shogun or Samurai gatherings, complete with traditional costumes, could become the rage.

HYATT HOTELS CORP. $726.4*MM

In the fantasy resorts that are the focus of Hyatt's expansion plans, food and drink are part of a total experience. A case in point is the Hyatt Regency Scottsdale (Ariz.), which brings "a touch of Venice to the desert." After dining on fried calamari and amaretto cheesecake at Sandolo, the hotel's casual Italian restaurant, guests can ride in a gondola at the nearby "water playground."

Madison's Restaurant in the Hyatt Deerfield (Ill.) has more modest ambitions. Here, typical dishes are fajitas, skillet pizza topped with feta cheese and sun-dried tomatoes, and a house salad with Gorgonzola dressing.

To accommodate Jewish business travelers, the Hyatt Regency Chicago offers kosher menu selections in all five restaurants or through room service.

RADISSON HOTELS CORP. $158*MM

Radisson launched a national promotion, called "Food and Wine: California

Denny's
DAYS INN

Executives dine in Radisson's boardroom suite (l.); Denny's moves into Days Inn (below).

400: HOTEL DINING

LEADING HOTEL COMPANIES

15 DAYS INNS OF AMERICA (14)
Sales: $125MM Units: 384

16 OMNI HOTELS CORP. (154)
Sales: $116.8MM Units: 80*

17 RODEWAY INNS INTERNATIONAL (163)
Sales: $105MM Units: 159

18 LOEWS HOTELS (187)
Sales: $86.2MM Units: 74

19 FORTE HOTELS INTERNATIONAL (191)
Sales: $83.8MM* Units: 83*

20 RESORTS INTERNATIONAL INC. (204)
Sales: $77MM* Units: 24*

21 PRINCESS HOTELS INTERNATIONAL (208)
Sales: $75.7MM Units: 33

22 PRIME MOTOR INNS (212)
Sales: $74MM Units: 70

23 SUMMA CORP. (220)
Sales: $70.2MM* Units: 48*

24 FAIRMONT HOTEL CO. (233)
Sales: $65MM Units: 21

25 HELMSLEY HOTELS (248)
Sales: $59.3MM* Units: 66*

26 DEL E. WEBB HOTELS (250)
Sales: $58MM Units: 16**

27 THE REGISTRY HOTEL CORP. (255)
Sales: $56MM Units: 45

28 DOUBLETREE HOTELS (262)
Sales: $55MM Units: 70

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Omni settles for a multipurpose restaurant, while Denny's moves inside at Days Inn.

Style," to celebrate the marriage of California wines and food. Radisson restaurants served the wines of three award-winning Napa Valley vintners, while chefs developed dishes using authentic California ingredients.

The program included seminars for employees on California wines, serving techniques and the pairing of fine wines with food. An incentive program helped spark employees' enthusiasm.

In conjunction with the promotion, Radisson sold *Star-Spangled Cooking: A Food Lover's Tour of America*. Proceeds were donated to the United Cerebral Palsy Association, of which Radisson is a corporate sponsor.

DAYS INN OF AMERICA INC. $125*MM

By converting its restaurant to a Denny's, The Days Inn University Center in Columbia, Mo., quadrupled sales and provided a model for collaboration between hotel and restaurant chains. The restaurant has a separate outside entrance, but can also be reached from the Days Inn lobby.

Brock Hotel Corp. (recently renamed Integra), which manages the property, looked at a variety of potential restaurant partners before settling on Denny's. The entire management staff of the Columbia Days Inn underwent a six-day training program with Denny's representatives; because the hotel will operate as a Denny's franchisee, they cooked, served and ate every item on the menu.

Decorated in tones of peach and teal, the Denny's interior departs from the chain's usual decor, but coordinates well with the appearance of the recently remodeled Days Inn.

OMNI HOTELS CORP. $116.8MM

Omni's distinctive food-and-beverage promotions continue; 1988 began with a samba beat and tribute to "The Gold Cuisine of South America." Exotic Brazilian fare included Sopa de Mandioca, a home-style soup.

Catering to business travelers, Omni's Gavel Service guarantees the success of meeting meal functions. If a private group meal is not prepared to specifications or not served at the right time, the price is cut. City 'scapes, Omni's version of the weekend getaway, seeks to keep urban hotels as busy on Saturday and Sunday as during the week.

Last year the Omni International Hotel in St. Louis changed the name of its fine-dining restaurant from The American Rotisserie to The Sea Grill. Although veal and prime rib are still on

Convenience-minded customers can stop by the food court (1) in a Del Webb casino-hotel or the bakery counter (below) in an Omni hotel.

400: HOTEL DINING

LEADING HOTEL COMPANIES

29 AMFAC RESORTS INC. (286)
Sales: $47.9MM* Units 30*

30 THE BOYD GROUP (288)
Sales: $47.7MM Units: 26

31 ADAM'S MARK HOTELS (294)
Sales: $46MM Units: 20

32 POINTE RESORTS (295)
Sales: $46MM Units: 10

33 BEACON HOTEL CORP. (319)
Sales: $40MM Units: 20

34 SONESTA INTERNATIONAL HOTELS CORP. (329)
Sales: $39MM* Units: 26

35 WRATHER PORT PROPERTIES CORP. (328)
Sales: $39MM* Units: 53

36 HORIZON HOTELS LTD. (332)
Sales: $38.9MM Units: 21

37 TREADWAY INNS (358)
Sales: $35MM Units: 40

38 ATLAS HOTELS INC. (362)
Sales: $34.2MM* Units: 22

39 HOSPITALITY INTERNATIONAL INC. (371)
Sales: $33MM* Units: 250*

40 J.P. HOTELS
W.B. Johnson Properties Inc. (133)
Sales: $31.8MM Units: 20

41 COX HOTEL CORP. (393)
Sales: $30MM Units: 23

42 BROCK HOTEL CORP. (95)
Sales: $15.7MM Units: 46

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Banquet service and diner concepts are just two ways to boost sales volume.

the menu, the spotlight falls on seafood and fresh fish.

PRIME MOTOR INNS $74MM

Prime's low-cost conversion of aging orange-roofed Howard Johnson units in Cocoa Beach, Fla., and South Plainfield, N.J., to an upbeat diner concept has made sales boom. Four similar conversions are planned for 1988.

Herbie K's sends customers on a nostalgic revisit to the '50s. Entrees such as stuffed peppers and Yankee pot roast are served with "frozen vegetables and real mashed potatoes," while waitresses greet customers with "What are you going to have, hon?" True to the diner tradition, Herbie K's stays open 24 hours a day, beginning breakfast service just after midnight.

Typically, guests staying several nights will visit the hotel's fine-dining restaurant and upscale lounge, in addition to Herbie K's. The Herbie K restaurants attract many local customers and guests from nearby hotels. The average check is only $5, but a lounge and quick table turnover help keep revenues high.

ATLAS HOTELS INC. $34.2*MM

Shrimp prepared in the style of Puerta Vallarta is a typical dish on the menu of The Hacienda. Located in the King's Inn in Mission Valley, Calif., the restaurant specializes in Mexican seafood. A cozy English atmosphere reigns in the same hotel at the King's Grill, where steak-and-kidney pie and other pub food are a hit.

Stars, the restaurant in Washington State's new Inn at Semi ah Moo (an Indian name) serves salmon dishes and other delicacies of the Pacific Northwest. Packer's, the resort's oyster bar, treats customers to such local seafood as Komoto oysters and Samish mussels.

Convinced that preparing a sauce for 500 is as easy—and much more profitable—than making it for 25, Atlas plans to promote its banquet business through preparing lighter, more appealing food. As in the restaurants, banquet menus show a new emphasis on foods with reduced fats and more fiber and protein. Meetings are enhanced by "nutrition breaks" at which bran muffins and fruit are served.

—Toni Lydecker

At minimal cost, Prime transformed this aging Hojo restaurant (l.) into Herbie K's, a '50s-style diner (below). It is popular with local residents and guests from nearby hotels, as well as Prime's own guests.

400: LIQUID ASSETS

POURING FOR PROFITS

Special events, premium products and lunch promotions keep alcohol sales at a respectable level.

Yes, there are "socially acceptable" ways to boost beverage alcohol consumption, and members of the "400" utilized a number of them. The most successful in terms of both financial results and community approval were the ideas and events that increased head counts, but did so by positioning beverages as incidental to a social gathering. Enticing patrons toward higher-quality products also was approved as well as effective. So were add-on sales such as wine with lunch.

Good financial results, however, meant maintaining volume in the face of overall decline in consumption. Increases in dollar volume from beverages were rare, and increases in the liquor percentage of the total sales dollar were even rarer. The trend was noticeably weaker in nightclubs and entertainment places, where beverages bring in the largest share of the revenue dollar, than in restaurants, where food accounts for 60% to 80% of sales.

Every successful alcohol-sales program emphasized good times and downplayed drinking. Free food was sometimes the attraction, but more often it was an entertainment idea or a holiday theme. Not one operator interviewed by *R&I* tried to combat the slump in sales with moves that could appear to encourage overimbibing.

Alcohol sales have bottomed out.

Virtually all food and beverage executives take a calm view of the moderate consumption trend, and many indicate they approve it. There is also the feeling that alcohol sales bottomed out in 1987, and the nation is unlikely to see a further decline in per capita consumption.

Reports on the 1987 sales mix show no abrupt change in drink preferences. Among beers, imports continued in favor and drafts remained popular where well-merchandised. Boutique beers remained strong in 1987, perhaps because of mystique. There is little evidence of a resurgence in brown goods, although some operators believe increased promotions would increase sales. Wines, especially light ones, remain very popular. Perhaps the clearest trend of 1987 was that costs continued to inch ahead. Price increases of 5% to 10% helped many to protect margins, but no one reports that beverage profits improved last year.

S&A RESTAURANT CORP.

The percentage of patrons who order drinks is about the same as in former years, but these patrons don't follow the first drink with a second, third and fourth, says Lane Cardwell, senior vice president of strategic planning. In the 200-plus Bennigan's units, beverages accounted for 31% to 32% of total revenues, down slightly from the preceding year. In Steak & Ale units, the 20% beverage share was about even with 1986.

Cardwell suggests the company's beverage promotion policy is in the middle of the road and indicates he would like to keep it that way. Promotional efforts include suggesting drinks to match featured foods, the summer push on tall drinks and holiday reminders of traditional favorites. In 1987, S&A noted the continuing decline in brown goods and the increase in beer orders.

RESTAURANTS UNLIMITED

Demographics and the behavior trend may work in favor of individually themed restaurants the next few years, believes Rick Gibboney, vice president of marketing. He sees better times ahead because the population bulge is moving upward: Restaurants with special appeal to the over-30 sector will have more potential customers. This same factor may have been why last year's beverage revenues in Restaurant Unlimited's 18 dinner houses were even with 1986, thus halting a slide seen the several previous years.

Gibboney's forecast is that there will not be a significant change in per capita order of drinks, but there will be an overall increase in patronage.

Virtually no discounted prices on drinks or special promotions of beverages are part of the Seattle-based group's corporate policy, he says.

LETTUCE ENTERTAIN YOU ENTERPRISES

"If we could increase total volume one way or the other, we'd surely choose food over beverages," declares P.J. Clarke's Frank Conaty. P.J.'s 1987 revenue percentage from liquor sales, 63%, was substantially higher than other Lettuce locations, because the restaurant is in the heart of Chicago's singles'-bar area.

Reflecting Lettuce corporate policy, P.J.'s engaged in no promotions designed to boost beverage volume other than an "almost compulsory" St. Patrick's Day party. The policy has continued in the current year, and beverage volume has been about even with 1987, reports Conaty. However, the manager also says he hopes to launch some year-round specials from which the revenues would go to some local charity rather than the Lettuce corporate coffers. It probably will be an offer of micro portions at macro prices of a rare cognac or Armagnac, intended both as a conversation piece and fund-raiser.

Cost-saving measures barely pro-

LEADING COMPANIES IN ALCOHOL SALES

1 HILTON HOTELS (21)
Sales: $291MM Units: 1,185

2 S&A RESTAURANT CORP.
Pillsbury Restaurant Group (3)
Sales: $260MM Units: 383

3 TGI FRIDAY'S
Carlson Cos. (31)
Sales: $123MM Units: 128

4 CHI-CHI'S (155)
Sales: $89.1 Units: 201**

5 McFADDIN VENTURES (211)
Sales: $38.4MM Units: 37

6 OMNI HOTELS (154)
Sales: $28.8MM Units: 80*

7 RED ROBIN INTL. (190)
Sales: $25MM Units: 47

8 LOEWS HOTELS (187)
Sales: $23MM Units: 74

continued on page 178

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.

400: LIQUID ASSETS

Increases in traffic counts, not the numb[illegible] of drinks ordered, will boost beverage sales.

LEADING COMPANIES IN ALCOHOL SALES

9 BENIHANA OF TOKYO (196)
Sales: $17.2MM Units: 48

10 RESTAURANTS UNLIMITED (195)
Sales: $17MM Units: 18

11 EL CHICO (155)
Sales: $16MM Units: 98

12 C.A. MUER CORP. (223)
Sales: $15MM Units: 14

13 LETTUCE ENTERTAIN YOU ENTERPRISES (198)
Sales: $15MM Units: 31

14 TRANS/PACIFIC RESTAURANTS (185)
Sales: $14.6MM Units: 54

15 SEA GALLEY (268)
Sales: $12MM Units: 50

16 HARD ROCK CAFE (300)
Sales: $11.7MM Units: 6

17 FUDDRUCKERS (138)
Sales: $10.4MM Units: 116

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tected gross margins, meaning profits were even with the previous year, he says. One of the moves was to give more careful attention to suppliers' special price offers. In particular, wines available on suppliers' specials proved a way to offset higher average purchase prices. P.J.'s also reduced its selection of imported beers, which carry lower margins.

RADISSON HOTELS

The drink count was down from the prior year, but premium-brand and higher-priced wines were up, resulting in increased dollar volume, says Don Clawson, vice president of food and beverage. Wine was the category advancing the fastest, much of it due to the service staff's suggestion of the right bottled wine with dinner or the lunch-time glass for the guest who foregoes anything stronger.

Today's conservative milieu challenges Radisson as well as other hospitality companies, Clawson says, but the hotel chain's typical guest—a professional man in the upper-middle income bracket—probably is more responsive to service attention than is the case with the dining group in a midpriced restaurant. Trading up is emphasized, with the service staff coached more than in former days concerning premium beers, vintage wines and the wide variety of after-dinner drinks. Overall prices were raised less than 5%.

RED ONION

In the nightclub world, something has to move all the time. Varied promotions ranging from a Mexican Independence Day feast to big-band bashes, fashion shows, lingerie nights and liberal spending for live music were among Red Onion's 1987 traffic builders.

While not all promotions are equal, concedes a spokeswoman, the bottom line is that nearly any activity, even if the basic idea is somewhat zany, is better than "No Show Tonight."

Not surprisin[illegible] considering the Mexican theme [illegible]hese Southern California clubs, imported beers sell well. Calls for wine also were up in 1987, but mixed drinks—even tequila-based ones—showed no increase.

—*William Cahill*

Alcohol accounts for 63% of sales at Lettuce Entertain You's P.J. Clarke's.

400: EDUCATION

BRAIN FOOD

Innovative programs stimulate nutrition education programs and student participation.

For 20 years, schools have been working on nutrition education programs. In 1987, that emphasis was even stronger, and cooperative efforts between educators and foodservice directors helped improve the quality of the programs.

Lunchroom programs have moved to the classroom. Ethnic meals are being tied to geography lessons, stimulating both the learning process and foodservice participation. Response to programs such as these has been tremendous, according to Pat Bayer, executive director of the American School Food Service Association. "They are the only good nutrition projects with practical aspects that are being taught today," says Bayer.

Schools continue to emphasize nutrition education.

The offer vs. serve revolution continues across the country. Operations are further divorcing themselves from Type A menus. Giving students more choices reduces waste, increases participation and motivates foodservice directors to develop more innovative products for serving lines. Providing more choices also helps improve the students' perception of the program's quality.

Some schools, however, have reintroduced traditional menu items such as beef stew. Foodservice directors suspect that old standbys are popular again because children get pizza, burgers and chicken from their parents, who pick up the food on the way home from work. Meat loaf, stews and spaghetti provide a change of pace for students. Even macaroni and cheese, which no one would touch a few years ago, is being requested again.

Breakfast, seen as an essential offer in school foodservice programs, continues to run into roadblocks. Too many administrators believe breakfast takes valuable time away from classroom work in an era when the school day is getting shorter. But at the same time, Congress has increased funding for breakfast programs, and states such as Florida have mandated breakfast in all school districts.

Other trends at school include growing use of breakfast, salad and potato bars. Also, catering is a growing market, especially in smaller towns where the school provides the only facility large enough to handle parties of 25 or more.

400: EDUCATION

EDUCATION FOODSERVICE LEADERS

1 U.S. DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE (5)
Sales: $3,095.4MM† Units: 90,180

2 NEW YORK CITY BOARD OF EDUCATION SCHOOL FOOD & NUTRITION SERVICES (76)
Sales: $257.6MM† Units: 1,207

3 LOS ANGELES UNIFIED SCHOOL DISTRICT (111)
Sales: $167.7MM† Units: 574

4 CHICAGO BOARD OF EDUCATION DEPARTMENT OF SCHOOL FOOD SERVICES (140)
Sales: $128.2MM† Units: 585

5 HOUSTON INDEPENDENT SCHOOL DISTRICT (266)
Sales: $54.6MM† Units: 225

6 DADE COUNTY PUBLIC SCHOOLS (277)
Sales: $50.9MM† Units: 288

7 SCHOOL DISTRICT OF PHILADELPHIA (308)
Sales: $44MM† Units: 260

8 STATE OF HAWAII, DEPARTMENT OF EDUCATION, SCHOOL FOOD SERVICES (316)
Sales: $42MM† Units: 226

9 SCHOOL BOARD OF HILLSBOROUGH COUNTY (362)
Sales: $34.7MM† Units: 143

10 DALLAS INDEPENDENT SCHOOL DISTRICT (369)
Sales: $33.6MM† Units: 184

11 MICHIGAN STATE (387)
Sales: $30.8MM† Units: 43

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.

Cafeteria renovation provides Chicago students with an inviting "fast-food" environment.

NEW YORK CITY BOARD OF EDUCATION $257.6MM†

The system's "Join the Breakfast Club" promotion using Walt Disney cartoon characters to inform students and parents about breakfast service has been very successful. During the campaign, breakfast participation increased 25,000 meals per day.

Items added to the menu in 1987 included batter-fried corn nuggets and vegetable sticks, fruitcake, croissant pizza and pasta salads.

While pizza and chicken remain menu favorites, the department is testing turkey sausage patties, Texas-size french toast, precooked bacon and cherry spread (processed from commodity cherries, figs and raisins).

LOS ANGELES UNIFIED SCHOOL DISTRICT $167.7MM†

The outdoor dining areas at many locations are being upgraded so personnel can continue to serve fast-food favorites such as tacos and pizza.

Turkey burritos and fajitas are being tested as the district tries to satisfy students' strong interest in Mexican food.

To thank its staff, the district creates a special "Staff Appreciation Day" adult menu once a year.

CHICAGO BOARD OF EDUCATION $128.2MM†

In attempts to create a more appealing environment, two dining rooms have been renovated with booths and tables with a look similar to a fast-food operation.

The usual student favorites (pizza, chicken and burgers) remain the top sellers. Meanwhile, cracked-wheat dinner rolls, onion rings, salsa sauce and other seasoning blends have been added to the menu.

MICHIGAN STATE UNIVERSITY $30.8MM†

While Mexican entrees are extremely popular, lighter and healthful items are being tested and added to the menus. Numerous theme dinners emphasized nutrition awareness and food appreciation. Small satellite snack bars were opened in academic buildings.

A residence hall dinner honoring the the school's 150th birthday won an award in the National Association of College and University Food Services menu contest in 1987.—***Jeff Weinstein***

JOIN THE BREAKFAST CLUB

400: MILITARY

THE BIG CHOW LINE

Getting troops to eat healthful meals is just one battle: Competition from fast food is another.

Military foodservice is waging a struggle that seems to have as many battlefronts as World War II.

The front where the fighting has been most fierce is against the combined forces of fat, cholesterol and sodium. In accordance with a government directive to bring military foodservice in line with the U.S. Surgeon General's dietary guidelines, military dietitians are stocking milk dispensers with 2% instead of whole milk; serving fewer fried or creamed potatoes and more baked potatoes; emphasizing baked or broiled chicken and fish, de-emphasizing beef, fried chicken and fried fish; decreasing portion sizes for meat; and reevaluating recipes to lower calories and sodium figures. Breakfast bars, with cereal, fruit and yogurt, help lure troops away from breakfast meats and eggs.

The Army's breakfast bar offers yogurt, fruit and cereal.

More emphasis on education for both foodservice directors and the troops themselves has helped win acceptance of non-traditional chow lines.

More sophisticated palates and the lure of off-base fast-food restaurants are another major foodservice challenge. The new, more healthful menus tend to list more spicy, ethnic items such as Mexican fajitas, vegetarian lasagna or Mongolian barbecue. Military dining halls and snack bars continue to serve untold millions of hamburgers each year, and some branches have developed their own fast-food restaurant concepts or become franchisees of well-known companies such as McDonald's and Burger King. Other branches are remodeling tired-looking facilities.

Most branches are working toward increased computerization of both accounting and menu analysis, with the U.S. Navy Food Service leading the way.

Personnel changes reflect varying philosophies. At U.S. Marine Corps Food Service and Subsistence Section and the U.S. Coast Guard, the byword is "civilianization," with complete operations contracted out; the U.S. Naval Medical Command, on the other hand, worked to integrate enlisted foodservice personnel into operations previously run by civilians.

400: MILITARY

Military foodservice faces competition with breakfast bars and on-base Burger Kings.

MILITARY FOODSERVICE LEADERS

1 **U.S. NAVY FOOD SERVICE SYSTEMS (24)**
Sales: $810MM† Units: 684

2 **U.S. ARMY COMMUNITY AND FAMILY SUPPORT CENTERS (26)**
Sales: $766.4MM† Units: 626

3 **U.S. ARMY TROOP SUPPORT AGENCY (32)**
Sales: $698.2MM† Units: 1,074

4 **ARMY AND AIR FORCE EXCHANGE SERVICES (37)**
Sales: $544.6MM† Units: 2,755

5 **U.S. AIR FORCE OPEN MESS SYSTEM (56)**
Sales: $331MM† Units: 262

6 **U.S. AIR FORCE (57)**
Sales: $319.5MM† Units: 669

7 **U.S. MARINE CORPS. (84)**
Sales: $231.8MM† Units: 109**

8 **U.S. ARMY OFFICERS' AND ENLISTED CLUB SYSTEM (109)**
Sales: $168.6MM† Units: 261

9 **NAVY RESALE AND SERVICES SUPPORT OFFICE (129)**
Sales: $138.9MM† Units: 650

10 **U.S. COAST GUARD (317)**
Sales: $41.8MM† Units: 506

11 **U.S. MARINE CORPS., MILITARY CLUBS BRANCH (328)**
Sales: $39MM† Units: 163

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U.S. NAVY FOOD SERVICE $810MM

The Navy's 684 general messes are moving into the 21st century with implementation of the most sophisticated computer programming available to foodservice personnel anywhere.

A software program for nutrient data analysis is now operational. The software is capable of machine-reading any menu or recipe submitted to it. It can do ingredient searches or nutrient analyses, and it keeps track of how frequently a recipe is used.

U.S. ARMY COMMUNITY SUPPORT $766.4MM

The Army is spending $124 million this year to spruce up its 626 officers', NCO and combined clubs worldwide in an effort to make clubs more competitive with dining and drinking establishments off-base. Some facilities have received only face lifts; others have been completely gutted and rebuilt.

Food has become more contemporary, too. Clubs are serving more fresh foods, less frozen or canned foods; fewer marbled steaks and more light entrees. But the customer-driven Army clubs are not about to push healthful eating on those who prefer the old ways: Prime rib is still on the menu.

U.S. ARMY TROOP SUPPORT AGENCY $698.6MM

The Army has taken the war on cholesterol, fat and sodium to a new battlefield: breakfast. A "healthy breakfast bar" concept, which was tested last year, is now being implemented in most of the 1,074 dining halls throughout the system.

New Army master menu and new menu plans for Army reserves and National Guard troops include less protein as well as less cholesterol, fat and sodium.

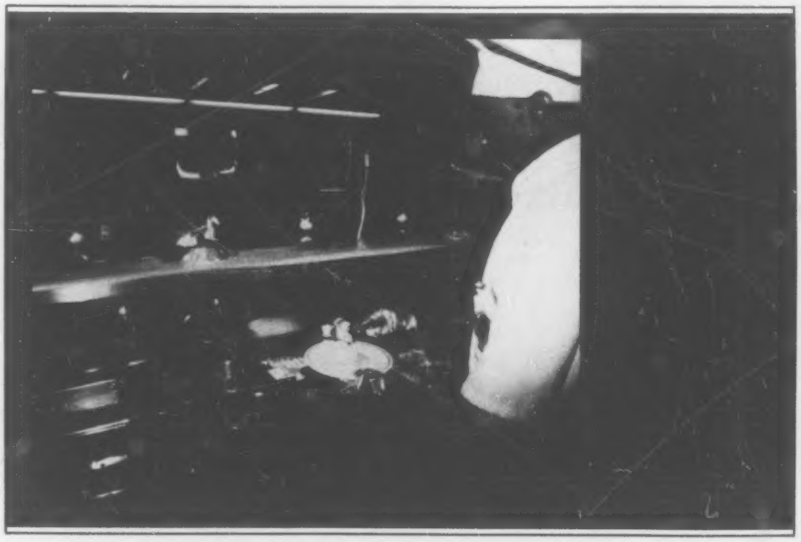
ARMY & AIR FORCE EXCHANGE $544.6MM

The Army and Air Force Exchange Service, which operates 2,755 snack bars on Army and Air Force bases around the world, is continuing to move in the direction of theme restaurants with identifying names, menus and decor packages.

Anthony's Pizza is an internal franchise operation; the concept, with image package and standardized menus, was developed by the AAFES, which certifies individual outlets.

Baskin-Robbins ice cream stands and, on overseas bases, Vie de France baked-goods counters are operated by license.

—***Rita Rousseau***



400: HEALTH CARE

TAKING CARE

Health-care chains took a beating last year, and foodservice felt the effect of tightening belts.

Most for-profit hospital chains—the big players in this market—spent a great deal of their energies last year shoring up their companies' finances. Rising labor costs and some imprudent acquisitions (and at too quick a pace) had wreaked havoc with bottom lines and shareholder dividends.

This rapid expansion also had left many corporate staffs stretched too thin. Too few controls over individual facilities caused quality to falter in more than one case. For many companies, push finally came to shove. They cut dollars wherever dollars were found, cut staff positions and closed facilities. Hospital Corp. of America, for instance, sold 104 facilities to employees; American Medical International followed suit this spring: Employees are scheduled to purchase 37 of the company's health-care facilities this August.

For most of the foodservice employees at these facilities, 1987 was not a very happy year. Staff cuts and declining occupancies reduced the number of meals to be prepared; as a result, foodservice employees were let go.

Even though some choices were cut from patient and employee meals, new menu items were added, though not at the rate they once were. "We've got to keep up with trends," comments one dietitian, "but we certainly aren't testing menu items in the number we used to. I do see a rather subtle encouragement on the part of the higher-ups for us to include more items with low food and labor costs," she continues. "We're lucky that our patients and employees think Mexican and Oriental entrees are terrific, because they'd be getting a lot of them anyway."

Cafeteria at Adventist's Hackettstown Community Hospital in New Jersey.

BEVERLY ENTERPRISES $308MM†

This California-based health-care company, with the majority of its clients residing in nursing homes, generally has found roasted meats such as pot roast and roast beef to be particularly popular with its residents. According to a company spokesperson, clients have pretty much "had their fill" of fish, chicken and pasta.

NATIONAL MEDICAL ENTERPRISES $210MM*

Following current trends, NME is serving more poultry and fish entrees and fewer beef and pork entrees to residents in its 578 facilities, who consumed about 80 million meals last year, an 8% increase over 1986.

UNICARE HEALTH FACILITIES INC. $182MM†

Five menu items particularly popular with residents of facilities owned or operated by this Milwaukee-based company were lemon chicken, hacienda green beans, carrot and apple casse-

400: HEALTH CARE

LEADING HEALTH-CARE COMPANIES

1 BEVERLY ENTERPRISES (60)
Sales: $308MM† Units: 1,052

2 HOSPITAL CORP. OF AMERICA (66)
Sales: $288.8MM Units: 404**

3 VETERANS ADMINISTRATION (74)
Sales: $264.3MM† Units: 162

4 NATIONAL MEDICAL ENT. (92)
Sales: $210MM* Units: 578

5 UNICARE HEALTH FACILITIES INC. (102)
Sales: $182MM† Units: 890

6 HUMANA INC. (160)
Sales: $106.4MM† Units: 86

7 ADVENTIST HEALTH SYSTEM (186)
Sales: $86.5MM† Units: 143

8 NATIONAL HERITAGE CORP. (216)
Sales: $71.1MM† Units: 231

9 NYC HEALTH AND HOSPITAL CORP. (239)
Sales: $63MM† Units: 16

10 AMERICAN MEDICAL INTERNATIONAL (255)ʹ
Sales: $56.4MM†* Units: 90

11 U.S. ARMY MEDICAL DEPT. (270)
Sales: $53.5MM† Units: 51

12 MANOR CARE (48)
Sales: $52.6MM†* Units: 144*

13 EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY (306)
Sales: $44.5MM† Units: 195

14 HEALTH CARE & RETIREMENT CORP (369)
Sales: 33.6MM† Units: 127**

Most for-profit facilities create their own menus, even though they are part of a chain.

role, stuffed veal and fish in wine sauce. According to a company spokesperson, chicken items will continue to "lead the pack," but seafood won't be too far behind.

ADVENTIST HEALTH SYSTEM $86.5MM†

The four different divisions of this corporation (determined by location) are operated in slightly different manners. For example, foodservice for the Western division is conducted through a contract management arm of Adventist called Nutri Group. The other three divisions operate in a more conventional manner.

Although there are standard menus for some of the facilities, each unit is allowed to modify menus to take into account local preferences.

Since it is the philosophy of the Adventist Health System to promote wellness and prevent disease, all facilities offer vegetarian cuisine, although most of the operations also offer patients and residents meat options (only about 1% of patients and residents are Seventh Day Adventists). However, almost all the selections at employee cafeterias are vegetarian.

To encourage customers to taste vegetarian selections, the foodservice departments offer a sample plate.

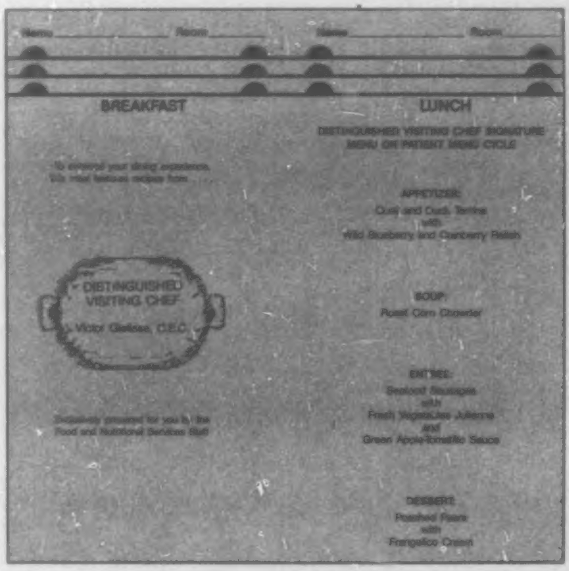
A number of the facilities offer series of hands-on vegetarian cooking classes, which are conducted by dietitians.

At the Florida Hospital Medical Center complex in Orlando, a 1,000-bed three-facility Adventist complex, the foodservice center that prepares meals for all customers is also producing breads for sale to a local grocery chain.

MANOR CARE $52.6MM†*

Menus vary widely at this 144-unit chain, as is often the case with companies operating diverse facilities that are located from one side of the country to the other. Manor Care operations range from deluxe areas within nursing homes (called Williamsburg wings) to more standard operations. The company is trying to use turkey and other lowfat protein in entrees, such as lasagna.

—*Susie Stephenson*



Name Room Name Room

BREAKFAST

DISTINGUISHED VISITING CHEF
Victor Gielisse, C.E.C.

Exclusively prepared for you by the Food and Nutritional Services Staff

LUNCH

DISTINGUISHED VISITING CHEF SIGNATURE MENU ON PATIENT MENU CYCLE

APPETIZER:
Quail and Duck Terrine
with
Wild Blueberry and Cranberry Relish

SOUP:
Roast Corn Chowder

ENTREE:
Seafood Sausages
with
Fresh Vegetables Julienne
and
Green Apple-Tomatillo Sauce

DESSERT:
Poached Pears
with
Frangelico Cream

By bringing in visiting chefs from local restaurants, Humana Hospital-Medical City Dallas provides patients with gourmet meals and staff with additional skills.

400: CONTRACTORS

BROADENING HORIZONS

To differentiate themselves, more aggressive contractors are creating and promoting new menu programs.

How to make *their* company stand out in the crowd—that seems to have been the bottom-line goal of contract companies this year. And, to a large degree, they took basically the same route—creating and promoting signature items that not only showcased their expertise but also helped to keep customer dollars inhouse.

ARA promotes the myriad services available to accounts.

DELI
EXCHANGE
OPTIONS
The Restaurant Collection

Contractors, like all institutional foodservice providers, recently have been hard-pressed to change the food items they offer their client customers and, in many instances, the facilities, too. Why? Contract companies have been facing mounting competition from such commercial establishments as local convenience stores; cookie and ice cream shops; fast-food chains (which are expanding menus to attract even more customers); low- and midscale restaurants (which have increased their advertising and promotions and, often, are willing to deliver their products); and even supermarkets, which are not only sprouting their own salad bars but offering a plethora of frozen meals that can easily be prepared in on-site microwaves.

The contractors, in many instances, also have been challenged to help clients reduce subsidies. Foodservice, in years past, often was looked upon as a fringe benefit. That is no longer the case. In attempts to reduce overhead and increase profits in these volatile times, companies are putting the squeeze on contractors—to help the companies reduce subsidy payments.

Changing demographics also have played a role, and contractors have tried to adjust by installing more flexible equipment to allow them to modify their services as needed. For instance, as night shifts are reduced and manual foodservice is no longer financially sound, the contract company wants to be the company that provides the vending service.

Many also are expanding their bases, realizing changes in economics and populations can have a critical impact on them if they provide foodservice in only one market. For instance, companies that concentrated their business in white-collar industries—thought to be a more reliable B&I market segment than blue-collar—were hard hit following Black Monday when many financial firms merged or slashed thousands from payrolls.

Yet contract management seems ready for change. Customers are willing to pay a bit more for restaurant-style food, whether that be a really good hamburger or an elegant meal, and contract companies are capitalizing on the trend. In many instances, they also are upgrading the decor of dining areas. Says one contract employee, "We're discovering that people want more variety and want nicer places in which to eat. You see the commercial restaurants changing to meet those demands. We are, too."

MARRIOTT CORP. $2,969MM

One of the most innovative and unusual marketing programs introduced by a contract company was implemented by Marriott last year. Called Main Street, the program was held in New York and attended by all the district managers and top corporate staff for the foodservice management group (also attending were vendors). On display were 16 new menu/marketing programs set up in "storefronts" down a "Main Street" in a hotel conference room. Included were such new marketing programs as an oversized, gourmet cinnamon bun concept, gourmet cookies, uniforms and disposable cups. Each storefront had the entire concept on display. If, for instance, a manager was interested in the gourmet cookies, he could see the ovens, display cases and customized cookie bags. The district manager could ask questions of the people who had developed the program and also of those who would provide equipment.

What was particularly unusual about the program was that the concepts were designed to appeal to all market segments. The uniform program, for example, had on display items ranging from safety shoes to managers' attire (suits and ties). Additionally, the programs were all designed by Marriott employees and customized for the company (they were not vendor programs).

District managers could sign up for the program on the spot. During the two-day meeting, 11,000 orders were placed for the 16 programs.

ARA SERVICES $2,813.3MM*

ARA unveiled its Restaurant Collection, which uses modular foodservice equipment to provide a complete restaurant concept for its Business, Convention and Personal Dining Group. Options range from self-service, vending-supported programs to more elaborate dining areas that feature made-to-order sandwiches and grilled foods.

Classic Fare, ARA's off-premises premium retail catering company, continued its strong growth by expanding into six additional cities in 1987. To extend the Classic Fare concept, an executive box-lunch service, with elegant made-to-order box lunches for in-office business functions and luncheon meetings, was introduced.

ARA also installed its "Itza Pizza" and "Gretel's Bake Shop" programs in

LEADING CONTRACT MANAGEMENT COMPANIES

1 MARRIOTT CONTRACT SERVICES
Marriott Corp. (4)
Sales: $2,969MM Units: 2,100

2 ARA SERVICES INC. (7)
Sales: $2,813.3MM* Units: 3,842*

3 CANTEEN CORP.
TW Services (11)
Sales: $1,469MM Units: 2,700*

4 SERVICE AMERICA (19)
Sales: $1,030MM Units: 11,000****

5 MORRISON'S CUSTOM MANAGEMENT
Morrison Inc. (22)
Sales: $417MM Units: 808

6 OGDEN ALLIED SERVICES CORP. (49)
Sales: $388.5MM* Units: 1,725*

7 RESTAURA DINING SERVICES
Greyhound Food Management (52)
Sales: $350MM Units: 450**

8 THE SEILER CORP. (63)
Sales: $299MM Units: 400

9 SKY CHEFS INC. (68)
Sales: $275.8MM† Units: 35

10 DELAWARE NORTH COS. INC. (80)
Sales: $246.8MM* Units: 292

continued on page 202

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.

400: CONTRACTORS

Canteen introduced a "Bigger, Better Biscuit" program to raise breakfast sales.

LEADING CONTRACT MANAGEMENT COMPANIES

11 HARRY M. STEVENS INC. (107)
Sales: $175MM Units: 37

12 SERVICEMASTER CO., FOOD MANAGEMENT DIVISION (112)
Sales: $165MM Units: 235

13 CLUB CORP. OF AMERICA (119)
Sales: $152.9MM* Units: 225

14 FOOD DIMENSIONS INC. (121)
Sales: $148.7MM† Units: 115

15 dāka (126)
Sales: $142.6MM Units: 347

16 THE WOOD CO. (146)
Sales: $120.7MM Units: 194

17 WOM ENTERPRISES (152)
Sales: $118.7MM† Units: 1,140**

18 FOOD CONCEPTS (178)
Sales: $90MM* Units: 720

19 TRUSTHOUSE FORTE FOOD SERVICES INC.
Trusthouse Forte (168)
Sales: $100MM* Units: 321*

20 GUEST SERVICES (202)
Sales: $77.3† Units: 147

21 UNIVERSAL SERVICES INC. INTL. (214)
Sales: $73.5MM Units: 211*

continued on page 204

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.

many client locations to compete with commercial restaurants. New bags of Gretel's cookies were introduced on many campuses along with a complete promotional program. In addition to the packaged cookies, a new line of sticky buns and cinnamon rolls was unveiled.

Campus Dining Services also developed its "Pollo Grande" Mexican restaurant concept, creating 25 signature recipes that will be the focal point of the new service.

CDS also fine-tuned a new generation of its popular mobile foodservice carts. In addition to its original "Le Cart" and "Bagel Wagon" programs, new carts are being designed to feature pastries, Mexican food and other items.

One of the major marketing projects of the School Nutrition Services was the formation of the Marketing Advisory Exchange, comprising a cross section of SNS unit and district managers and regional sales people. Better known as MAXX, the group developed the "Guide to Good Times," a collection of 60 proven program ideas to help enhance school foodservice programs.

The Leisure Services division continued to expand its menus at stadiums and arenas to upgrade the image and quality of products offered. At the Anaheim Stadium in California, made-from-scratch cinnamon rolls were a big hit. At the Baltimore Memorial Stadium, spicy smoked sausages and crab cakes were among the fans' favorites.

CANTEEN CORP. $1,469MM

Canteen also introduced a number of signature items to help its clients compete with commercial restaurants. To boost breakfast business, which, the company says, was losing ground to convenience outlets, the division introduced a "Bigger, Better Biscuit" program. By the end of the year, more than 800,000 breakfast biscuits per month were being served in 1,400 accounts.

Another signature item being promoted is Pazzelli's Pizza, now available in about half of the division's foodservice accounts.

The Recreation Division (including accounts at Yankee Stadium and Yellowstone Park) introduced ethnic and regional sausage items to supplement the traditional hot dog, gourmet ice cream and waffle cones, and Pazzelli's Pizza.

SERVICE AMERICA CORP. $1,030MM**

The most significant promotion campaign introduced by the 11,000-unit Service America Corp. was its SPICE program (Special Programs in Culinary Entertainment). According to a company spokesperson, the program has been refined and will run again this year in a

Restaura has hired a chef to help employees present more attractive cafeteria lines and plates.

400: CONTRACTORS

LEADING CONTRACT MANAGEMENT COMPANIES

22 PROFESSIONAL FOOD SERVICE MANAGEMENT INC. (221)
Sales: $70MM Units: 132

23 TRETTCO INC. (237)
Sales: $63.4MM† Units: 86

24 VALLEY FOOD SERVICE CORP. (276)
Sales: $51MM† Units: 105

25 SANESE SERVICES INC. (279)
Sales: $50MM Units: 53[B]

26 SANDS & CO. (307)
Sales: $44.4MM* Units: 825*

27 LACKMANN FOOD SERVICES (313)
Sales: $42.8MM† Units: 40

28 SOUTHERN FOOD SERVICE MANAGEMENT (321)
Sales: $40MM Units: 80**

29 DIETARY CONSULTANTS (341)
Sales: $37.4MM†* Units: 66*

30 CORPORATE FOOD SERVICES INC. (380)
Sales: $32MM Units: 44

31 CVI SERVICE GROUP INC. (384)
Sales: $31.22MM† Units: 52(B)

Note: Numbers in parentheses indicate companies' "400" ranking. If a chain is a subsidiary of a larger company, the parent company and its "400" rank are given. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* estimate; **company est.; †commercial equivalent.

Stevens has changed the physical design and traffic flow of sporting-event facilities.

number of its business and industry, college and school accounts. The company also will introduce a "Fitness Fare" program on a market-by-market basis on the East Coast.

The company is testing such new menu items as low-calorie chicken dishes, fish and baked goods.

RESTAURA DINING SERVICES $350MM**

Ethnic entrees were certainly the most popular menu items at this 300-plus-unit division of Greyhound Food Management. Foods chosen often by customers included stir-fried items, pasta, lasagna, Mexican selections, taco salads, fish and chips, and chili. New menu items introduced included chicken breast with tarragon, beef broccoli stir-fry, roast pork Dijon, cod almondine and Mexican fiesta haystack.

"Starcruise '87" was an extremely successful six-week promotion held in 60 Restaura accounts located in Indiana, Tennessee, Missouri, Wisconsin and Ohio (each account ran its own promotion). The special event was conducted jointly with Premier Cruise Lines, also a subsidiary of The Greyhound Corp. Accounts were decorated in a cruise-line theme and Restaura staff dressed in appropriate attire. A special cruise-line meal was served to generate even greater enthusiasm. Those who purchased the special meal were given entry forms for a drawing for such prizes as a three-night luxury Bahamas cruise, luggage, solar calculators, watches, lighters and pens, pen and pencils sets, and message microphones. Sales increases varied from location to location; the highest was 20%.

HARRY M. STEVENS $175MM

There has been a big change in the physical design and traffic flow of facilities for feeding people who attend sporting events. No longer is it a "belly-up, push-and-shove, stand-in-line" type of operation, says a company spokesperson. There is more self-service and more preparation in front of customers (hot dogs are no longer pre-wrapped, for example). Customers also have better visuals and "can see what's going on," says the spokesperson, which they like. The system is more scattered, as well, with an employee being responsible for a particular area. This cuts down on employee theft.

THE WOOD CO. $120.7MM

Five-inch-wide, home-style cookies, called Almost Famous Cookies and merchandised in old-fashioned cookie jars, helped to build impulse sales at Wood accounts.

The company also introduced a modular Today's Taste for Today's Lifestyles upscale menu promotion. Included are Salad Maker (salad bar and custom-made salads); Stack's Deli (deli sandwiches); Grills and Frills (grilled sandwiches, fries, etc.); Cut Above (sliced premium meats for sandwiches and hot entrees); Country Kettle (hot and cold soups); Chef's Choice (entrees); Sweet Treats (desserts); Tag-A-Longs (takeout sandwiches/salads); The Naturals (foods for fitness); Breakfast Club (breakfast program) and Refreshments (beverages).

TRUSTHOUSE FORTE FOOD SERVICES $83.8MM*

New menu items introduced by this 2,310-employee division of Trusthouse Forte included eggplant *rollentine* (eggplant rolled with prosciutto, mozzarella and seasoned ricotta laced with marinara sauce and served with herb fettuccine); sandwich sampler (a miniature Reuben, Monte Cristo and executive grills served with chips and deli pickles); fresh black peppercorn pasta with sautéed medallions of beef, mustard and herb butter; London broil Texas-style (flank steak marinated with vegetables and barbecue sauce served with potatoes kugel and julienne of carrot and turnip) and Dixie pork chop (center cut pork chop baked with apples in a pungent glaze and served with New Hampshire stuffing).

In 1987, the company promoted seasonal menus and special days including The Pumpkin Patch, the Surfside Station and Harvest Home: A British Autumn Festival (the company is owned by London-based Trusthouse Forte).

—Susie Stephenson

400: FRANCHISING

SPREADING THEIR WINGS

The new territorial imperative for franchisors is to expand abroad. That's where the money is!

Despite growing labor shortages, market saturation and fierce competition, current U.S. Commerce Department figures show that restaurant franchising is alive and well.

Foodservice franchising sales increased 8.6% to $56.8 billion in 1987. In 1988, sales are projected at $63.2 billion, representing 44% of the commercial market. The number of franchised units has grown from more than 78,000 in 1986 to a projected 90,789 by the end of 1988.

While domestic growth has slowed some, the international franchise scene is booming. By the end of 1987, 6,769 franchised units were operating in major countries outside the United States, including Japan, Canada, Australia, Mexico, the United Kingdom and the Caribbean.

About two-thirds of the franchise firms in Japan are food-related, making it the hottest international market for expansion. Besides the fact that the Japanese love American products, the cheap dollar has given Japanese investors good reason to buy American franchises. Franchisee fees and U.S.-made supplies are available at very attractive prices.

Kentucky Fried Chicken has more than 2,000 franchises abroad, 700 of which are in Japan. McDonald's has franchised more than 600 units in Japan and did more than $1 billion in business there last year. Mister Donut also has more than 600 operations there, while 7-Eleven surpassed the 3,000-unit mark last year.

Companies as large as Carl Karcher's, which did not start franchising until 1984, and as small as the New York City nine unit Le Croissant chain also have reached agreements to franchise in Japan.

While Japan appears to be the new route to take, 45% to 50% of franchisors who want to operate there are turned away very quickly, according to Patrick Boroian, president

Japan is the hot market on the international scene.

マクドナルド
ハンバーガー
マクドナルド
ハンバーガー

400: FRANCHISING

Franchising sales at $57 billion and climbing with 91,000 units projected for end of '88.

of Francorp, a franchise consulting firm in Olympia Fields, Ill. "Less than 10% of the franchisors who call us ever get as far as going to Japan to meet with potential licensees," says Boroian.

Domestically, perhaps the leading issue in the franchising business today is the delicate franchisee-franchisor relationship. Franchisees are better educated today and are demanding more support from the franchisor. Many franchisees resent paying royalty fees when their diligent efforts fail to produce a money-making operation.

Franchisees are beginning to organize themselves because they want more of a say in how a company runs its advertising, marketing and product development programs.

"Good franchisors are organizing advisory councils that invite franchisee participation in an organized fashion that the franchisor can control," says Boroian. "Otherwise, if you force the franchisees to organize on their own, it can become militant. It is a trend that could threaten the survival of some restaurant chains."

One of the most innovative franchisors today is USACafes L.P., licensor of Bonanza restaurants. President Jeff Rogers has put together agreements that significantly reduce the conflict of interest that franchisors face with their major licensees. His plan has paid off handsomely as chainwide sales increased 15.5% in the last fiscal year.

USACafes has developed a master license agreement that splits royalties. USACafes shares its 4.8% royalty 50-50 with area developers who are master franchisees of a territory. They have the right to either subfranchise and collect full royalties and pay USACafes half, or they can run their own stores, pay half the royalty (2.4%) and keep the other half as income.

"Licensees, in effect, become partners with the company because they share royalties and, therefore, the responsibility to develop the value of the overall system," says Rogers.

The basic point of Rogers' philosophy is the importance of tapping into the knowledge of his franchisees. "I don't know of too many companies that feel it is anything more than bothersome to deal with franchisees," he says. "We work together with operators. We listen to them, because they have most

SUBWAY SANDWICHES
TCBY

Central Park
Central Park

SLIMMED-DOWN DESIRES

With many of the major franchisors broadening their menus, little niches have opened up for new entrepreneurs. This has fueled the growth of streamlined concepts with limited menus, lower prices and speedy service. Drive-thru and takeout-only chains such as Hookers Hamburgers, Rally's hamburger and Central Park are gearing up for expansion. The 25-unit, Chattanooga, Tenn.-based Central Park chain has already sold more than 40 franchises. Terms include a $15,000-per-unit fee, 3% royalties for seven years of a 15-year agreement and 4% for the final eight years. While these start-up companies have yet to attain "400" status, they already are giving some "400" companies a run for their money.

400: FRANCHISING

Only a few franchising companies with a yen for Japanese investors can make a deal.

JURY IS STILL OUT

New franchising systems such as Pillsbury's Burger King/ Godfather's/Häagen-Dazs combination units are being tested around the country. The concept, which helps build traffic counts, can be difficult to execute. MKM Enterprises, franchisee of the Pillsbury trio in Las Vegas, Nev., has to contend with three franchisors, three sets of books and three sets of distributors. The key to its success has been the franchisee's ability to gain concessions such as generic uniforms and an agreement to use only Burger King cups for the self-serve drink system. Nationwide, franchise experts say combination-unit results have been mixed. There have been no offers to franchise the system.

of the good ideas and can stop corporate people from making many major mistakes."

Herren Hickingbotham, president of up-and-coming TCBY Enterprises, also subscribes to the philosophy of total franchisee support.

"More than 70% of our development comes from existing franchisees," says Hickingbotham. "It all comes back to the support in operations, new product development and marketing. Our field and corporate personnel are always asking what they can do to better serve the franchisee. There is no 'us' and 'them' attitude.

Another fast-growing chain, Subway Sandwiches & Salads, owned by Doctors Associates Inc., helps franchisees keep most of their capital for launching a store to provide ultimate growth opportunity. For example, the corporate office purchases restaurant equipment at factory prices and sells it to franchisees at that same wholesale price. An entire equipment package can be shipped with a $1,000 deposit. The 1,810-unit chain produced systemwide income of $360 million in 1987, 89% higher than 1986. With only a $7,500 franchise fee, Doctors' President Fred DeLuca is projecting 3,000 units by the end of 1988.

At Arby's Inc., development incentives for franchisees have been very productive for the entire system. Arby's has been offering discounted royalty rates for development within a franchisee's protected area. Remodeling rebates have been given to operators who rehab existing units.

The franchising picture is not entirely rosy, however. In 1987, 33 franchised restaurant concepts were abandoned. Boroian cited five reasons for failure: a flawed concept, not replicable in another market; poor management; lack of capital due to underestimated expenses and overestimated sales projections; poorly constructed franchise agreements that lead to poor franchisor-franchisee relations; and inability of the concept to change with the times. Altering the course of a company's destiny may be painful, but necessary. *—Jeff Weinstein*

Franchises now account for 44% of commercial eating-place sales.

Kentuc
Fried
Chicke
Drive ➔ Thru
hops
DRIVE THRU

400: TURNAROUNDS

PUTTING IN THE BIG FIX

When the going got tough, Hal Smith turned Chi-Chi's around. Can Foodmaker maintain momentum?

A Darling of Wall Street at the beginning of the decade, Chi-Chi's had hit Skid Row by the mid-1980s. Sales plunged, while departing managers pushed turnover past 90%.

A mere three years later, the company has made a dramatic comeback. Same-store sales were up an average of 3.7% for the first nine months of fiscal 1988, and management turnover has dipped to about 30%. The recent merger with Foodmaker, owner of the Jack In The Box chain, strengthened Chi-Chi's financial position still more; their combined annual sales are well over $1 billion.

President Hal Smith comments, "We knew we were on the right track when we saw sales flatten after three years of decline and then start to go up. At about the same time, the turnover problem eased up—by staying, managers were telling us they liked what we were doing."

How did Chi-Chi's get into trouble in the first place? Euphoric over sales as high as $70,000 a week per unit, the chain went on an expansion spree. Continuing to build 10,000-square-foot stores made good sense . . . until economic pressures dictated that restaurants squeeze sales out of every inch of space. It seemed logical to site new restaurants near existing high-volume stores, to permit synergies in marketing and purchasing . . . until the new restaurants began to cannibalize the business of the older ones. Penetrating new territory on the East Coast sounded like a good idea . . . until the reality of high real estate prices and labor problems, particularly in the New York City area, set in.

"The bottom just fell out, and nobody seemed able to fix it," remembers Executive Vice President Michael Fiori, who has been with the company since 1982. Alarmed by the decline in profits, the board of directors brought in experts, but their systems-oriented advice threatened to

This new canopy invites customers to give Chi-Chi's a try.

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add to the company's inertia.

Hiring Hal Smith, a protégé of Norm Brinker and former president of S&A Corp. and Chili's, was a far better move. The new chief wasted no time trimming a top-heavy headquarters staff and closing 21 unprofitable units, thereby allowing the company to focus on its stronger restaurants.

By the beginning of July 1987, a full-scale "revitalization program" was under way. A new canopy and stripes around the exterior of each Chi-Chi's announced to customers that something had changed. Inside, dark colors and wall hangings gave way to colorful murals, flowers and walls. Servers shed their unflattering uniforms in favor of attractive peasant costumes.

The company has begun to build and acquire smaller properties ranging in size from 5,000 to 7,000 square feet—far more compact than the original sprawling Chi-Chi's. "We've been flabbergasted by the ability of these stores to maintain the same atmosphere, to have the same mix of food and liquor, and yet be more profitable," says Fiori. As for the full-sized units, some are testing luncheon buffets to make good use of the extra space, while saving on labor costs.

Popular beef and chicken entrees continue to dominate the menu, but the humunga changa, T-bone steak (for non-Mexican food lovers in the party), combination dinners and new appetizers have added new excitement. Responding to customer complaints about food running together, Chi-Chi's improved presentation with a white rectangular, sectioned plate. The menu changes are backed up by television ads that play up the vivid colors, sizzling sounds and textures of the food.

The abysmal turnover situation was a priority from the beginning. "Recruiting is much more professional than it used to be," says George Theisman, senior vice president of human resources. Base salaries and bonuses for all levels of management were boosted. The old bonus program rewarded managers solely on profit, thereby penalizing those whose stores had heavy construction or overhead costs beyond their control. Occupancy is excluded from the new plan, putting all managers on an equal footing. To avoid manager burnout, Chi-Chi's reduced the standard work week from six to five days, and promised two consecutive days off.

All of Chi-Chi's 17,000 employees, from hourly workers to field supervisors, have gone through a retraining program. "The service process was becoming too robot-like," says Theisen. "We wanted staff to put some personality into service and to do some tive selling."

An important byproduct of the changes was a renewed sense of pride and enthusiasm, according to Smith. "When employees saw that we were willing to buy new uniforms and to spend $50,000 a restaurant for remodeling, they began to believe we were serious."

From the beginning, part of the

CHI-CHI'S MANAGEMENT TEAM

[illegible]

Fuddruckers' financials are strong.

ON THE REBOUND

VICORP Restaurants: For the third quarter, the company posted a profit of $465,000, compared to a loss of $15.6 million last year. Credit goes to tight cost controls, better promotions and a sale-leaseback arrangement for 31 restaurants that cut interest payments in half. Some analysts think VICORP's Bakers Square restaurants should promote bakery takeout more aggressively.

Rax Restaurants: A midyear report, surrounded by green crumpled paper on a covered platter and delivered on St. Patrick's Day, celebrated the company's $860,000 in net income in the first half of 1988—a far cry from the $3.9 million loss this time last year. The Fast Food with Style campaign reaffirmed Rax's commitment to hamburgers.

Fuddruckers: Armed with a profit of $88,000, the first since 1984, the company is going full speed ahead with "the diner of the '90s." The produce flats and neon beer signs are out, and smaller, more comfortable dining areas are in. To go with the new look and new menu, which offers grilled chicken and fish sandwiches in addition to burgers, Fuddruckers has a new slogan, "The Home of the Honest Meal."

Family
SHOWBIZ
Pizza

ShowBiz recovers its footing.

POISED FOR A COMEBACK?

Wendy's: **Flawed marketing and a badly planned venture into the breakfast market have held sales down for the past two years. Close to a quarter of franchisees are in arrears with royalty payments; some are bitterly opposed to the Hamburger A commercials, even though consumers seem to like them.**

On the plus side, Wendy's landed in the black for 1988's first quarter, with a gain of about $10 million over this time last year. The SuperBar buffet could turn out to be the company's badly needed success.

Brock Hotel Corp. (Integra): **Operating income of $822,000, the first since 1983, edged the company out of the red—but just barely. The progress owes much to a financial restructuring in 1986.**

Executive Vice President Dick Huston says of ShowBiz Pizza Time, "It's good to be growing the concept again, after rocky times. We believe the company has a niche."

With ShowBiz just emerging from the woods, the company recently bought Monterey House, a troubled Mexican-food chain. Although the decor and menu have been upgraded, sales have not yet responded.

Chi-Chi's should gain purchasing power and marketing savvy from the Foodmaker merger.

game plan was to be acquired, but the first two offers, by holding companies, were not viewed with enthusiasm. With little interest in foodservice, they might have dismantled much of the support structure and curtailed expansion plans to make their investment pay off.

Chi-Chi's management breathed a sigh of relief when the Foodmaker bid prevailed. "We think they're one of the true leaders in their region," says Smith. "We are very impressed with the caliber and integrity of the group, and with their longevity—Jack In The Box has been in business about 30 years."

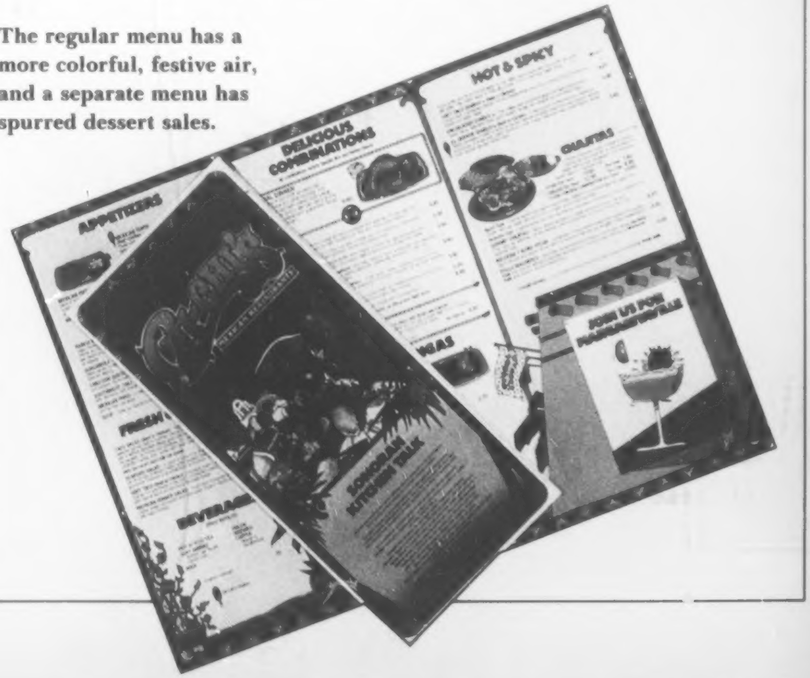
He expects Chi-Chi's to benefit from Foodmaker's creative approach to product introduction and from collective purchasing power. Geographical distance should encourage Foodmaker to give a good deal of autonomy to its new subsidiary; to facilitate running a chain of Midwestern restaurants, Chi-Chi's headquarters will remain in Louisville, Ky., while Jack In The Box's concentration in the West dictates that Foodmaker remain in San Diego.

Although two new units of Sharkey's Oyster Bar & Grill are scheduled in 1988, this concept and Papanadas Southwestern Border Cafe will remain in test until Foodmaker has a chance to study their potential. The same goes for Chi-Chi's el pronto!, small shopping-mall units that sell a limited menu of Chi-Chi's items for takeout only. Construction of the downsized Chi-Chi's restaurants will continue, however, at a conservative but steady rate of about one a month.

The staff has been restructured since the merger; together with earlier cuts made just after Smith joined the staff, about 40 headquarters staff have been sent on their way. "I was upfront with the staff that some consolidation is a fact of life when there's a corporate merger. We made staffing decisions quickly and came up with a severance package that I think even the people who are leaving would agree is equitable and fair," he says.

Chi-Chi's belongs to the midscale restaurant segment, which as a whole has suffered from a business slowdown; first-quarter CREST figures showed only a 0.7% increase in traffic for midscale operations, compared to an industrywide jump of 3.2%. But Smith says, "If you're asking whether I think the opportunities for dinner houses are great, I'd have to say yes. If we execute our concept properly and deliver value, the sales will come." ***—Toni Lydecker***

The regular menu has a more colorful, festive air, and a separate menu has spurred dessert sales.



400: RANKINGS

(1) McDonald's Corp.
Sales: $14,330.4MM Units: 9,159

(2) PepsiCo Foodservice Division
Sales: $8,540MM Units: 16,407

(3) The Pillsbury Co. Restaurant Group
Sales: $6,053MM* Units: 7,339

(4) Marriott Corp.
Sales: $5,623.1MM* Units: 4,511*

(5) U.S. Dept. of Agriculture, Food & Nutrition Service
Sales: $3,095.4MM† Units: 90,180

(6) Wendy's International Inc.
Sales: $2,870MM Units: 3,816

(7) ARA Services Inc.
Sales: $2,813.3MM* Units: 3,842

(8) Imasco USA
Sales: $2,481.9MM* Units: 2,991

(9) International Dairy Queen Inc.
Sales: $2,032MM Units: 6,069

(10) Domino's Pizza Inc.
Sales: $1,980MM Units: 4,279

(11) TW Services
Sales: $1,859.9MM* Units: 2,352

(12) Restaurant Enterprises Group Inc.
Sales: $1,520MM* Units: 801

(13) Denny's Inc.
Sales: $1,485.4MM Units: 2,072

(14) General Mills Restaurants Inc.
Sales: $1,450MM** Units: 644

(15) The Sheraton Corp.
Sales: $1,391.2MM Units: 1,555

(16) Holiday Corp.
Sales: $1,386MM* Units: 1,917*

(17) Shoney's Inc.
Sales: $1,227.3MM Units: 1,483

(18) Collins Foods International Inc.
Sales: $1,052.7MM Units: 1,003

(19) Service America Corp.
Sales: $1,030MM** Units: 11,000**

(20) Arby's Inc.
Sales: $980MM Units: 1,973

(21) Hilton Hotels Corp.
Sales: $970MM Units: 1,185

(22) Morrison Inc.
Sales: $858MM Units: 1,053

(23) The Southland Corp.
Sales: $828.8MM* Units: 7,000*

(24) U.S. Navy Food Service Systems Office
Sales: $810MM† Units: 684

(25) Jerrico Inc.
Sales: $791.8MM* Units: 1,504

(26) U.S. Army Community & Family Support Centers
Sales: $766.4MM† Units: 626

(27) Ponderosa Inc.
Sales: $730.4MM Units: 693

(28) Dunkin' Donuts Inc.
Sales: $728.8MM Units: 1,669

(29) Hyatt Hotels Corp.
Sales: $726.4MM* Units: 390**

(30) Little Caesar Enterprises Inc.
Sales: $725MM Units: 1,820

(31) Carlson Cos.
Sales: $724.1MM** Units: 757

(32) U.S. Army Troop Support Agency
Sales: $698.6MM† Units: 1,074

(33) Ramada Inns Inc.
Sales: $657.2MM* Units: 802

(34) Foodmaker Inc.
Sales: $655.1MM Units: 897

(35) Baskin-Robbins Ice Cream Co.
Sales: $624.7MM* Units: 3,372

(36) Friendly Ice Cream Corp.
Sales: $572.4MM Units: 840

(37) Army & Air Force Exchange Service
Sales: $544.6MM† Units: 2,755

(38) Church's Fried Chicken Inc.
Sales: $533.9MM Units: 1,422

(39) USACafes
Sales: $529.5MM Units: 605

(40) American Restaurant Group Inc.
Sales: $500MM Units: 350

(41) Inter-Continental Hotels Corp.
Sales: $490MM* Units: 300*

(42) A. Copeland Enterprises Inc.
Sales: $482.6MM Units: 710

(43) Western Sizzlin' Steak House Inc.
Sales: $466.2MM Units: 585

(44) Carson Pirie Scott & Co.
Sales: $463.2MM* Units: 281*

(45) Investors Management Corp.
Sales: $445.8MM Units: 542

(46) Elias Brothers Restaurants Inc.
Sales: $434.7MM* Units: 254

(47) United Airlines
Sales: $397.6MM† Units: 18

(48) Manor Care Inc.
Sales: $388.6MM†* Units: 922

(49) Ogden Allied Services Corp.
Sales: $388.5MM* Units: 1,725*

(50) VICORP Restaurants Inc.
Sales: $381.6MM Units: 410

(51) Rax Restaurants Inc.
Sales: $358.3MM Units: 529

(52) Greyhound Management Inc.
Sales: $350MM** Units: 450

(53) Perkins Family Restaurants L.P.
Sales: $343.7MM Units: 334

(54) Carl Karcher Enterprises Inc.
Sales: $343.6MM Units: 444

(55) Walt Disney Co.
Sales: $336MM Units: 182

(56) U.S. Air Force Open Mess System
Sales: $331MM† Units: 262

(57) U.S. Air Force
Sales: $319.5MM† Units: 669

(58) Sonic Industries Inc.
Sales: $315MM Units: 953

(59) The Riese Organization
Sales: $312MM* Units: 303*

(60) Beverly Enterprises
Sales: $308MM† Units: 1,052*

(61) National Purchasing Corp.
Sales: $307.6MM†** Units: 2,105

(62) Pantera's Corp.
Sales: $300MM Units: 786

(63) The Seiler Corp.
Sales: $299MM Units: 400

(64) IHOP Corp.
Sales: $297.5MM Units: 454

(65) Boddie-Noell Enterprises Inc.
Sales: $297.2MM* Units: 279

(66) Hospital Corp. of America
Sales: $288.8MM†* Units: 404

(67) White Castle System Inc.
Sales: $282.6MM Units: 236

(68) Sky Chefs Inc.
Sales: $275.8MM† Units: 35[B]

(69) Trans World Airlines Inc.
Sales: $275MM†* Units: 3*

(70) K mart Corp.
Sales: $274.5MM* Units: 1,559

(71) Doctors Associates Inc.
Sales: $272MM** Units: 1,815

(72) Chi-Chi's Inc.
Sales: $270MM Units: 201

(73) Whataburger Inc.
Sales: $265MM** Units: 392

(74) Veterans Administration
Sales: $264.3MM† Units: 162

(75) Round Table Franchise Corp.
Sales: $262.5MM Units: 535

(76) New York City Board of Education
Sales: $257.6MM†** Units: 1,207

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Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised.

400: RANKINGS

continued from page 219

(77) Furr's/Bishop's Cafeterias L.P.
Sales: $256.2MM Units: 152

(78) Nestle Enterprises Inc.
Sales: $254.2MM* Units: 176*

(79) Chili's Inc.
Sales: $253MM** Units: 146

(80) Delaware North Cos. Inc.
Sales: $246.8MM* Units: 292

(81) Carvel Corp.
Sales: $243.8MM* Units: 750**

(82) Northwest Airlines Inc.
Sales: $233.7MM† Units: 81

(83) Luby's Cafeterias Inc.
Sales: $232.9MM Units: 103

(84) U.S. Marine Corps
Sales: $231.8MM†** Units: 109

(85) Waffle House Inc.
Sales: $230.6MM* Units: 610*

(86) The Horn & Hardart Co.
Sales: $227.6MM Units: 275

(87) Bob Evans Farms Inc.
Sales: $220MM Units: 196

(88) Restaurant Associates Industries Inc.
Sales: $220MM Units: 110

(89) Piccadilly Cafeterias Inc.
Sales: $217.5MM Units: 116

(90) Shoney's South Inc.
Sales: $211.3MM Units: 254

(91) Mister Donut of America
Sales: $210MM Units: 709

(92) National Medical Enterprises Inc.
Sales: $210MM†** Units: 578

(93) Mrs. Fields Cookies
Sales: $203.2MM* Units: 700

(94) Chick-fil-A Inc.
Sales: $202.7MM Units: 364

(95) Frisch's Restaurants Inc.
Sales: $197.4MM* Units: 197

(96) Brock Hotel Corp.
Sales: $192.7MM Units: 321

(97) The Circle K Corp.
Sales: $190MM** Units: 3,600

(98) Wyatt Cafeterias Inc.
Sales: $189MM Units: 119

(99) F.W. Woolworth Co.
Sales: $187MM* Units: 1,050*

(100) Ryan's Family Steak Houses Inc.
Sales: $185MM Units: 95

(101) The Krystal Co.
Sales: $184MM Units: 243

(102) Unicare Health Facilities Inc.
Sales: $182MM† Units: 890

(103) The Ground Round Inc.
Sales: $181.6MM Units: 191

(104) PoFolks Inc.
Sales: $180MM Units: 164

(105) Western Steer-Mom'n'Pop's Inc.
Sales: $179.6MM Units: 192

(106) Specialty Restaurants Corp.
Sales: $178MM** Units: 73

(107) Harry M. Stevens Inc.
Sales: $175MM Units: 37

(108) City of New York, Dept. of Procurement
Sales: $175MM† Units: 104

(109) U.S. Navy Officers' and Enlisted Club Sytem
Sales: $168.6MM† Units: 261

(110) California Department of Corrections
Sales: $168.6MM†** Units: 75

(111) Los Angeles Unified School District
Sales: $167.7MM†** Units: 574

(112) ServiceMaster Co., Food Management Division
Sales: $165MM Units: 235

(113) Bally Manufacturing Corp.
Sales: $164.2MM* Units: 29*

(114) Hospital Purchasing Services
Sales: $163.8MM† Units: 535

(115) Paragon Restaurant Group Inc.
Sales: $162MM Units: 83

(116) Hyatt International Corp.
Sales: $160MM Units: 200**

(117) A&W Restaurants Inc.
Sales: $154MM Units: 531

(118) Harman Management Co.
Sales: $153MM** Units: 226

(119) Club Corp. of America
Sales: $152.9MM* Units: 225

(120) DeNovo Corp.
Sales: $150MM Units: 544

(121) Food Dimensions Inc.
Sales: $148.7MM†* Units: 115

(122) Brown Derby Inc.
Sales: $148MM Units: 50

(123) Shakey's Inc.
Sales: $145.4MM Units: 364

(124) Baltimore Bureau of Purchases
Sales: $144.2MM† Units: 135

(125) W.R. Grace Restaurant Group
Sales: $144MM Units: 171

(126) dâka
Sales: $142.6MM Units: 347

(127) Amerinet/Valuefood Div.
Sales: $140MM†** Units: 500**

(128) Unigate Restaurants Inc.
Sales: $139.5MM Units: 176

(129) Navy Resale and Services Support Office
Sales: $138.9MM† Units: 650

(130) The Continental Cos.
Sales: $138MM Units: 54

(131) Roma Corp.
Sales: $136.8MM* Units: 96

(132) Mr. Gatti's Inc.
Sales: $136MM Units: 338

(133) W.B. Johnson Properties Inc.
Sales: $134.8MM Units: 125

(134) State of Oklahoma Central Purchasing
Sales: $132.3MM†** Units: 43

(135) Carrols Corp.
Sales: $130MM Units: 141

(136) Caesar's World Inc.
Sales: $130MM Units: 34

(137) Mazzio's Corp.
Sales: $130MM Units: 197

(138) Fuddruckers Inc.
Sales: $130MM Units: 116

(139) Red Lion
Sales: $128.5MM Units: 113

(140) Chicago Board of Education, Dept. of Foodservice
Sales: $128.2MM†** Units: 585

(141) Braum Ice Cream & Dairy Stores Co.
Sales: $126.8MM* Units: 200

(142) Galardi Group
Sales: $125MM** Units: 340

(143) Days Inns of America Inc.
Sales: $125MM Units: 384

(144) Winners Corp.
Sales: $124.7MM Units: 196

(145) TCBY Enterprises Inc.
Sales: $121.2MM Units: 822

(146) The Wood Co.
Sales: $120.7MM Units: 194

(147) Commonwealth of Virginia
Sales: $120.4MM† Units: 83

(148) Kettle Restaurants Inc.
Sales: $120MM Units: 207

(149) Papa Gino's of America Inc.
Sales: $120MM Units: 200

(150) National Pizza Co.
Sales: $120MM** Units: 290

(151) Walgreen Co., Food Division
Sales: $119.3MM Units: 120

(152) Wom Enterprises Inc.
Sales: $118.7MM†** Units: 1,140

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Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised.

400: RANKINGS

continued from page 220

(153) Sbarro Licensing Corp.
Sales: $117MM** Units: 253

(154) Omni Hotels Corp.
Sales: $116.8MM Units: 80*

(155) El Chico Corp.
Sales: $112MM Units: 98

(156) CHE Inc.
Sales: $111.1MM* Units: 63

(157) Del Taco Inc.
Sales: $110MM Units: 200

(158) RPM Pizza Inc.
Sales: $109MM Units: 227

(159) Brown & Portillo Inc.
Sales: $108.1MM* Units: 158

(160) Humana Inc.
Sales: $106.4MM† Units: 86

(161) JB's Restaurants Inc.
Sales: $105.5MM Units: 110

(162) Illinois Department of Central Management Services
Sales: $105.2MM†** Units: 86

(163) Rodeway Inns International
Sales: $105MM Units: 159

(164) Taco John's International
Sales: $102.6MM Units: 420

(165) Franchise Associates Inc.
Sales: $102MM** Units: 141

(166) Astor Restaurant Group Inc.
Sales: $101.8MM** Units: 300

(167) RTM Inc.
Sales: $100MM Units: 177

(168) Trusthouse Forte Food Services Inc.
Sales: $100MM Units: 321

(169) Consolidated Products Inc.
Sales: $99.3MM Units: 122

(170) Pioneer Take Out Corp.
Sales: $98.2MM* Units: 252

(171) Metropolitan Chicago Healthcare Council
Sales: $98MM† Units: 100

(172) Druther's International Inc.
Sales: $96.2MM Units: 162

(173) State of California Dept. of Rehabilitation
Sales: $95.2MM† Units: 278

(174) State of Wisconsin
Sales: $95.2MM† Units: 46

(175) Jamco Ltd./Mr. Steak
Sales: $95MM Units: 146

(176) Skipper's Inc.
Sales: $95MM Units: 219

(177) Lyon's Restaurants Inc.
Sales: $92MM** Units: 61

(178) Food Concepts Inc.
Sales: $90MM* Units: 720

(179) Fosters Freeze International
Sales: $90MM Units: 194

(180) International King's Table Inc.
Sales: $90MM Units: 90

(181) Franchise Enterprises Inc.
Sales: $90MM Units: 123

(182) Servico Management Corp.
Sales: $89.3MM Units: 60

(183) U.S. Dept. of Justice, Federal Prison System
Sales: $88.2MM† Units: 47

(184) MHM Inc.
Sales: $87.5MM** Units: 60

(185) Trans/Pacific Restaurants Inc.
Sales: $86.9MM Units: 54

(186) Adventist Health System
Sales: $86.5MM† Units: 143

(187) Loews Hotels
Sales: $86.2MM Units: 74

(188) AIRCOA
Sales: $86MM Units: 121

(189) Interstate Hotels Corp.
Sales: $85.5MM Units: 103

(190) Red Robin International
Sales: $85MM Units: 47

(191) Swensen's Ice Cream Co.
Sales: $84.4MM* Units: 356*

(192) Forte Hotels International
Sales: $83.8MM* Units: 83*

(193) Cracker Barrel Old Country Store Inc.
Sales: $83MM Units: 53

(194) Pizza Management Inc.
Sales: $81MM Units: 193

(195) Restaurants Unlimited Inc.
Sales: $80MM Units: 74

(196) Benihana of Tokyo Inc.
Sales: $79.6MM Units: 48

(197) Bill Knapp's Michigan Inc.
Sales: $78.5MM* Units: 67

(198) Lettuce Entertain You Enterprises Inc.
Sales: $78.5MM Units: 31

(199) Dayton Hudson Department Store Co.
Sales: $78MM** Units: 339

(200) Six Flags Corp.
Sales: $78MM Units: 350

(201) HRI-Purchase Connection
Sales: $77.3MM† Units: 159

(202) Guest Services Inc.
Sales: $77.3MM† Units: 147

(203) The Mariner Corp.
Sales: $77.3MM Units: 104

(204) Resorts International Inc.
Sales: $77MM* Units: 24*

(205) Elby's Restaurants Inc.
Sales: $77MM Units: 72

(206) Calny Inc.
Sales: $77MM Units: 135

(207) Famous Restaurants Inc.
Sales: $76.2MM Units: 42

(208) Princess Hotels International
Sales: $75.7MM* Units: 33

(209) Consul Restaurant Corp.
Sales: $75MM Units: 36

(210) Original Great American Chocolate Chip Cookie Co.
Sales: $75MM* Units: 375

(211) McFaddin Ventures
Sales: $74.3MM* Units: 37

(212) Prime Motor Inns
Sales: $74MM Units: 70

(213) New Jersey Dept. of Corrections
Sales: $73.9MM†** Units: 45

(214) Universal Services Inc. International
Sales: $73.5MM* Units: 211*

(215) Convenient Food Marts
Sales: $72.5MM* Units: 1,310*

(216) National Heritage Corp.
Sales: $71.1MM† Units: 231

(217) The Happy Steak Inc.
Sales: $70.9MM** Units: 95

(218) The Marcus Corp.
Sales: $70.7MM* Units: 109*

(219) Associated Hosts Inc.
Sales: $70.2MM** Units: 60

(220) Summa Corp.
Sales: $70.2MM* Units: 48*

(221) Professional Food-Service Management Inc.
Sales: $70MM Units: 132

(222) New York State Office of Mental Health
Sales: $70MM†** Units: 32

(223) C.A. Muer Corp.
Sales: $70MM Units: 14

(224) Taco Time International Inc.
Sales: $70MM Units: 264

(225) Sybra Inc.
Sales: $69.2MM Units: 115

(226) Sonny's Real Pit Bar-B-Q Inc.
Sales: $68MM* Units: 75

(227) Forbco Management Corp.
Sales: $67.5MM Units: 34

(228) Harcourt Brace Jovanovich Co.
Sales: $66.3MM Units: 73

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Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. *R&I est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised. ©1988 *Restaurants & Institutions*.

400: RANKINGS

continued from page 228

(229) North Central Food Systems Inc.
Sales: $66MM Units: 75

(230) Theo H. Davies & Co. Ltd.
Sales: $66MM** Units: 66

(231) May Department Stores
Sales: $65.8MM* Units: 394**

(232) Twenty-First Century Corp.
Sales: $65MM* Units: 36*

(233) Fairmont Hotel Co.
Sales: $65MM Units: 21

(234) The Jan Cos.
Sales: $64.7MM Units: 62

(235) K-Bob's Steak Houses Inc.
Sales: $64.5MM Units: 85

(236) Magic Pan
Sales: $64MM Units: 58

(237) TrettCo Inc.
Sales: $63.4MM† Units: 86

(238) U.S. Restaurants Inc.
Sales: $63.2MM Units: 53

(239) New York City Health and Hospitals Corp.
Sales: $63MM† Units: 16

(240) State of Rhode Island Purchasing Div.
Sales: $62.9MM†** Units: 294**

(241) Buehler-Ruckriegel Inc.
Sales: $62.5MM Units: 117

(242) Trefz Corp.
Sales: $62.3MM* Units: 43

(243) Veterans Canteen Service
Sales: $62.2MM† Units: 172

(244) Eat'N Park Restaurants Inc.
Sales: $61MM Units: 46

(245) Rusty Pelican Restaurants Inc.
Sales: $60.2MM Units: 21

(246) David's Specialty Foods
Sales: $60MM* Units: 400

(247) Pizza Hut of Titusville Inc.
Sales: $59.7MM Units: 98

(248) Helmsley Hotels
Sales: $59.3MM* Units: 66*

(249) Buffets Inc.
Sales: $58.3MM[C] Units: 36

(250) Del E. Webb Hotels
Sales: $58MM* Units: 22

(251) Houston's Restaurants
Sales: $58MM** Units: 16

(252) Restaurant Management Co.
Sales: $57.7MM* Units: 110

(253) Lifestyle Restaurants Inc.
Sales: $57MM Units: 49

(254) Rocky Rococo
Sales: $57MM Units: 121

(255) American Medical International Inc.
Sales: $56.4MM†* Units: 90

(256) Atlanta Family Restaurants Inc.
Sales: $56.3MM Units: 45

(257) The Registry Hotel Corp.
Sales: $56MM Units: 45

(258) North Carolina Department of Administration
Sales: $56MM†** Units: 24

(259) Bobby McGee's USA Inc.
Sales: $56MM** Units: 20

(260) Wendy's Food Systems Inc.
Sales: $56MM Units: 81

(261) Dept. of Public Welfare-Commonwealth of Pa.
Sales: $56MM†** Units: 33

(262) Ohio Dept of Rehabilitation & Correction
Sales: $55.7MM† Units: 17

(263) The Levy Restaurants
Sales: $55MM Units: 30

(264) Doubletree Inc.
Sales: $55MM Units: 70

(265) Ohio State Dept. of Mental Health
Sales: $54.9MM† Units: 80

(266) Houston Independent School District
Sales: $54.6MM†** Units: 225

(267) Seafood Broiler Restaurants
Sales: $54.4MM Units: 28

(268) Sea Galley Stores Inc.
Sales: $54MM Units: 50

(269) Pancho's Mexican Buffet Inc.
Sales: $54MM Units: 56

(270) U.S. Army Medical Department
Sales: $53.5MM† Units: 51

(271) State of Connecticut, Purchasing Dept.
Sales: $52.9MM†** Units: 200

(272) Uno Restaurant Corp.
Sales: $52.3MM Units: 41

(273) Triton Investment Co. Inc.
Sales: $52.2MM* Units: 36*

(274) McCrory Stores
Sales: $52MM** Units: 327

(275) Palm Management Co.
Sales: $51.2MM Units: 11

(276) Valley Food Service Corp.
Sales: $51MM† Units: 105

(277) Dade County Schools
Sales: $50.9MM†** Units: 288

(278) FMS Management Systems Inc.
Sales: $50.6MM Units: 89

(279) Sanese Services Inc.
Sales: $50MM Units: 53[B]

(280) Carousel Snack Bars Inc. of Minnesota
Sales: $50MM** Units: 330

(281) Dino's USA Inc.
Sales: $50MM** Units: 205

(282) AMTRAK
Sales: $50MM Units: 344

(283) Peter Piper Inc.
Sales: $50MM Units: 109

(284) Legal Sea Foods Inc.
Sales: $49.7MM Units: 11

(285) Hamburger Hamlets Inc.
Sales: $48MM** Units: 24

(286) International Onion
Sales: $48MM Units: 13

(287) MTC Management Inc.
Sales: $48MM Units: 112

(288) Amfac Resorts Inc.
Sales: $47.9MM* Units: 30*

(289) Sis Corp.
Sales: $47.9MM Units: 63

(290) The Boyd Group
Sales: $47.7MM Units: 26

(291) Maid-Rite Products Inc.
Sales: $47MM Units: 131

(292) California Dept. of Developmental Services
Sales: $47MM† Units: 11

(293) Florida Dept. of General Services
Sales: $47MM†** Units: 55

(294) Schlotzsky's Inc.
Sales: $46.4MM Units: 214

(295) K&W Cafeterias Inc.
Sales: $46MM** Units: 20

(296) Adam's Mark Hotels
Sales: $46MM Units: 28

(297) Pointe Resorts
Sales: $46MM Units: 10

(298) Indiana Dept. of Admin.; Procurement Division
Sales: $45.8MM†** Units: 37

(299) Sirloin Stockade International
Sales: $45.2MM Units: 66

(300) Hard Rock Cafe
Sales: $45.2MM Units: 6

(301) Trader Vic's
Sales: $45.1MM* Units: 20

(302) Jack's Food Systems Inc.
Sales: $45MM Units: 90

(303) Phillips Seafood Restaurants
Sales: $45MM Units: 7

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Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised.

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For information circle 87

continued from page 232

(304) Smith and Sons Foods Inc.
Sales: $44.7MM Units: 56

(305) Huddle House Inc.
Sales: $44.7MM Units: 130

(306) The Evangelical Lutheran Good Samaritan Society
Sales: $44.5MM† Units: 195

(307) Sands & Co. Inc.
Sales: $44.4MM* Units: 825*

(308) School District of Philadelphia
Sales: $44MM†** Units: 260

(309) MCL Cafeterias
Sales: $44MM Units: 27

(310) Wendcoast Corp.
Sales: $44MM* Units: 56

(311) Restaurant Management Service Inc.
Sales: $43.8MM Units: 43

(312) Pennsylvania Department of Corrections
Sales: $42.8MM† Units: 14

(313) Lackmann Food Service
Sales: $42.8MM† Units: 40

(314) Arctic Division of Quaker State
Sales: $42MM Units: 105

(315) Consumer Food Services Inc.
Sales: $42MM** Units: 25

(316) State of Hawaii School Foodservice
Sales: $42MM†** Units: 226

(317) U.S. Coast Guard
Sales: $41.8MM†** Units: 506

(318) Azar's Inc.
Sales: $41.1MM Units: 36

(319) Standard Oil
Sales: $40.5MM* Units: 36

(320) Beacon Hotel Corp.
Sales: $40MM Units: 20

(321) Southern Foodservice Management
Sales: $40MM†** Units: 80

(322) State of Missouri Division of Purchasing
Sales: $39.8MM† Units: 30

(323) Winegardner & Hammons Inc.
Sales: $39.8MM Units: 42

(324) Straw Hat Cooperative Corp.
Sales: $39.8MM* Units: 80

(325) Noble Roman's Inc.
Sales: $39.3MM Units: 100

(326) Health Care Services of New England
Sales: $39.2MM† Units: 350

(327) State of Louisiana, Office of Purchasing
Sales: $39.2MM†** Units: 35

(328) U.S. Marine Corps Military Clubs Branch
Sales: $39MM† Units: 163

(329) Wrather Port Properties Corp.
Sales: $39MM* Units: 53

(330) Sonesta-International Hotels Corp.
Sales: $39MM Units: 26^{B}

(331) JRN Chicken Stores
Sales: $39MM Units: 76

(332) State of Washington Government Institutions
Sales: $38.9MM† Units: 34

(333) Horizon Hotels Ltd.
Sales: $38.9MM Units: 21

(334) Wendy's of Fort Wayne
Sales: $38.6MM* Units: 62

(335) New York State Office of Mental Retardation
Sales: $38.1MM†** Units: 19

(336) Country Kitchens of Wisconsin
Sales: $38MM Units: 60

(337) Elmer's Restaurants Inc.
Sales: $38MM Units: 31

(338) OSF International
Sales: $37.9MM Units: 26

(339) Pizza King Franchises Inc.

RANKINGS

Sales: $37.7MM* Units: 91

(340) Bresler's Division of Oberweis Dairy Inc.
Sales: $37.5MM Units: 300

(341) Dietary Consultants Inc.
Sales: $37.4MM†* Units: 66*

(342) Valentino's
Sales: $37MM Units: 36

(343) Ruth's Chris Steak House Inc.
Sales: $37MM Units: 19

(344) Rowntree Ltd.
Sales: $36.7MM* Units: 276

(345) Brunswick Corp.
Sales: $36.6MM Units: 130

(346) Taco Tico Inc.
Sales: $36MM Units: 113

(347) Olga's Kitchen Inc.
Sales: $36MM Units: 38

(348) Pietro's Corp.
Sales: $36MM** Units: 65

(349) Perk Development Corp.
Sales: $35.2MM Units: 29

(350) Southern Hospitality Corp.
Sales: $35.1MM Units: 49

(351) Bobby Rubino's USA Inc.
Sales: $35MM Units: 19

(352) U.S. Beef Corp.
Sales: $35MM Units: 73

(353) State of Kansas Div. of Purchasing
Sales: $35MM†** Units: 26

(354) Casa Olé Restaurants & Cantinas
Sales: $35MM Units: 34

(355) Shari's Management Corp.
Sales: $35MM** Units: 37

(356) Skyline Chili Inc.
Sales: $35MM** Units: 70

(357) The Original Seafood Shanty
Sales: $35MM Units: 14

(358) T.J. Cinnamons Bakeries
Sales: $35MM Units: 201

(359) Treadway Inns
Sales: $35MM Units: 40

(360) Heidman Inc.
Sales: $34.8M*M Units: 24

(361) AIFAM Enterprises Inc.
Sales: $34.7MM* Units: 85

(362) Hillsborough County School Board
Sales: $34.7MM†** Units: 143

(363) Atlas Hotels Inc.
Sales: $34.2MM* Units: 22

(364) Spencecliff Corp.
Sales: $34MM** Units: 24

(365) Spire's Restaurants
Sales: $34MM Units: 26

(366) LaRosa's Inc.
Sales: $34MM Units: 45

(367) Coulter Enterprises
Sales: $34MM Units: 68

(368) North Carolina State Dept. of Corrections
Sales: $33.9MM†** Units: 87

(369) Dallas Independent School District
Sales: $33.6MM†** Units: 184

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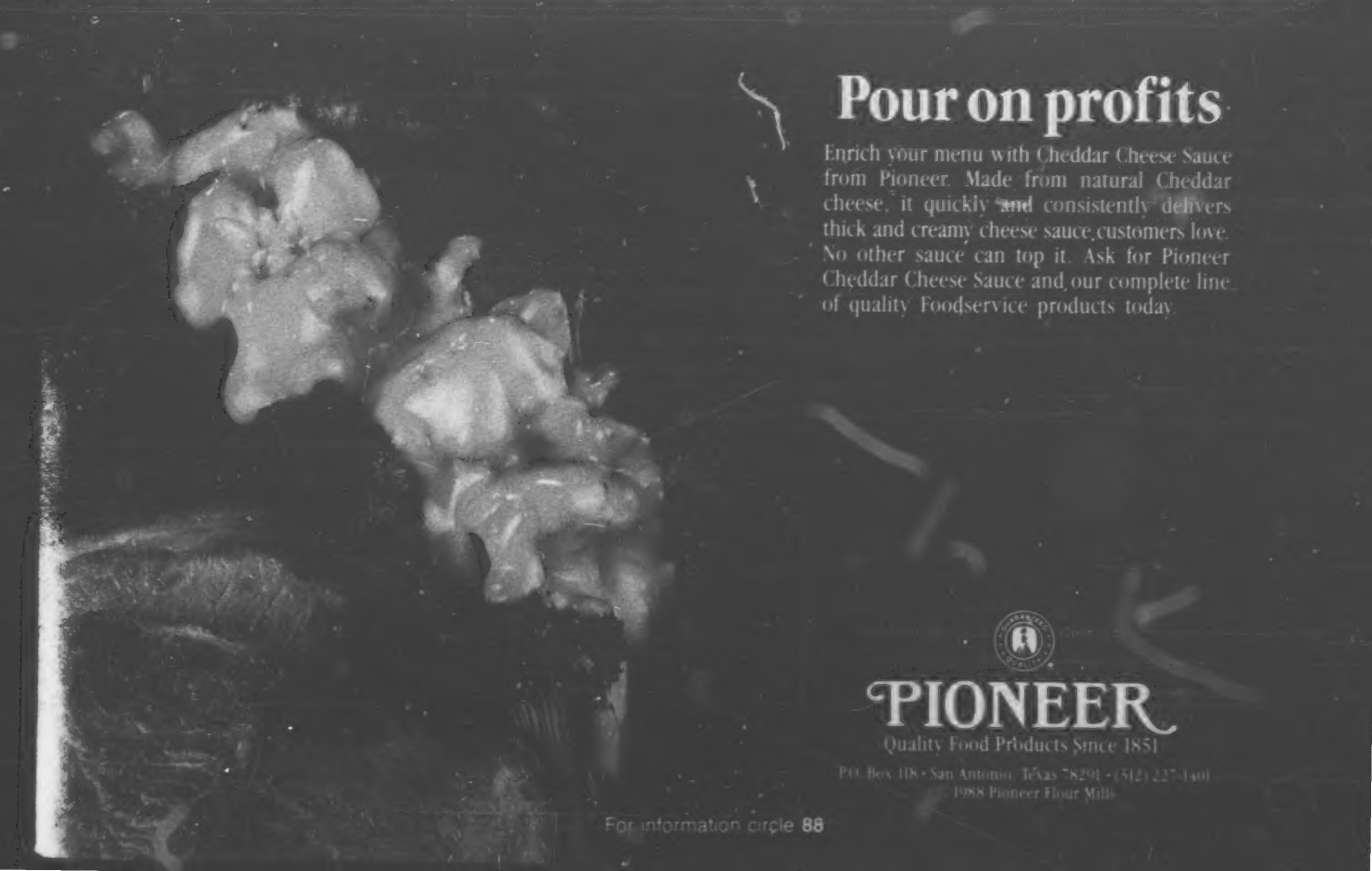
Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised. ©1988 *Restaurants & Institutions.*



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For information circle 88

400: RANKINGS

continued from page 237

(370) Health Care & Retirement Corp.
Sales: $33.6MM†** Units: 127

(371) Clock Restaurants Inc.
Sales: $33MM Units: 43

(372) Hospitality International Inc.
Sales: $33MM* Units: 250*

(373) Jerry's Systems Inc.
Sales: $33MM** Units: 62

(374) Classic Prime Ltd.
Sales: $33MM Units: 52

(375) Happy Chef Systems Inc.
Sales: $32.5MM Units: 52

(376) U.S. Naval Medical Command
Sales: $32.5MM† Units: 31

(377) E&A Restaurants of South Florida Inc.
Sales: $32.2MM* Units: 41

(378) Wenar Corp.
Sales: $32.2MM* Units: 41

(379) Arthur Treacher's Inc.
Sales: $32MM Units: 106

(380) Corporate Food Services Inc.
Sales: $32MM Units: 44

(381) Sandwich Chef Inc.
Sales: $32MM Units: 179

(382) Valls Enterprises
Sales: $32MM Units: 14

(383) Stuckey's Corp.
Sales: $32MM Units: 120

(384) CVI Service Group Inc.
Sales: $31.2MM† Units: 52[B]

(385) Sunquest Systems
Sales: $31MM Units: 58

(386) Maryland Dept. Gen. Services
Sales: $30.8MM†** Units: 32

(387) Michigan State University
Sales: $30.8MM†** Units: 43

(388) Texas Dept. of Corrections, Food Service Dept.
Sales: $30.8MM† Units: 38

(389) The Management Group Inc.
Sales: $30.5MM** Units: 20

(390) Allen & O'Hara Inc.
Sales: $30.4MM* Units: 24

(391) Knott's Berry Farm
Sales: $30.1MM* Units: 55

(392) The C&C Organization
Sales: $30MM Units: 24

(393) Cox Hotel Corp.
Sales: $30MM Units: 23

(394) State of Tennessee General Services
Sales: $30MM† Units: 42

(395) Brigham's Inc.
Sales: $30MM Units: 72

(396) Fat Boy's Bar-B-Q Franchise System Inc.
Sales: $30MM Units: 36

(397) Big 4 Restaurants Inc.
Sales: $30MM** Units: 11

(398) Vie de France Restaurant Corp.
Sales: $30MM Units: 57

(399) Hardin Group
Sales: $30MM Units: 142

(400) Happy Joe's Pizza & Ice Cream Parlor Inc.
Sales: $30MM** Units: 85

R&I

Note: Numbers in parentheses indicate companies' "400" ranking. Sales figures are for the 1987 calendar or fiscal year; unit figures represent the number of units open as of 1/1/88. **R&I* est.; **company est.; †commercial equivalent; (A)former data included non-foodservice sales; (B)adjusted method in reporting figures; (C)franchisees' sales est; (R)revised. ©1988 *Restaurants & Institutions*.

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